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THE COMMUNITY OF THE RESURRECTION

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THE LAND AND THE EMPIRE

THE LAND AND THE EMPIRE

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WITH TABLES AND DIAGRAMS

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PREFACE

THESE lectures were delivered as part of the Imperial Studies Series inaugurated by Lord Milner. My object in publishing them is to emphasise the need of a New Outlook.

It is to be hoped that this War has taught us that many of our old shibboleths must be given up : that after the War is over we must have a Government working whole-heartedly in the interests of the Empire and of the Nation, and not of a Party. Unless we can achieve this, it will not be possible for us to recuperate quickly.

On the Rural side there must be a New Outlook in regard to the land and its development—on the part of the Government, the landowners, and the farmers themselves. The Nation at large must realise and agree that it is right that the producers of food should receive a remunerative price for their produce. This can be achieved by the organisation and encouragement of the agricultural industry.

On the Urban side there is equal need of a New Outlook. It must be realised that never again shall this country be so dependent upon sea-borne food as it has been during the past fifty years. Henceforth

security of supply must be the motto—instead of a *cheap supply at all hazards.* The people will naturally require as cheap a supply as possible. But this again will be achieved by the proper organisation and development of the agricultural industry.

The most effective way of giving the equivalent of a cheap food supply is to raise the purchasing power of the working population. Industrial conditions as they now exist are feudal —almost the only feudal feature remaining in our national life. If post-War conditions are to be sounder than pre-War conditions, we shall have to recognise that the workers must have a larger share in the profits, and a larger voice in the control of industry.

And the workers themselves must have a New Outlook in regard to the economics of industry, and realise that the only true road to recuperation, national development and their own advancement lies in unrestricted and not in restricted individual output.

C. T.

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THE LAND AND THE EMPIRE

THE ERRORS OF THE PAST

SOME ten years ago I succeeded to estates which were in a very bad financial condition. Whether I wished it or not I was forced to pay much attention to economy; and as all principles of political economy are, or ought to be, based upon concrete facts, my attention gradually extended from the concrete cases as they came up for treatment to a study of certain underlying principles which affect land in general.

Here I was soon face to face with two outstanding facts.

One is the enormous influence exercised by political economists, through politicians and the Press, in modelling public opinions.

The other is that the dominant character in English political economy during the last eighty years has been urban almost to the exclusion of the rural side.

This unscientific narrowing of the scope of an enquiry conducted by men who professed to be scientific investigators has in the course of years produced giant problems for which we are now fitfully and painfully endeavouring to find solutions.

And yet we should not place upon economists all the blame. At a time when great and wonderful discoveries were being made, when new machines of marvellous power were being invented, when the industrial development of the country was phenomenal, it was not surprising that political economists, blinded by the glamour of this great industrial development, should proclaim that "Great is our Industry."

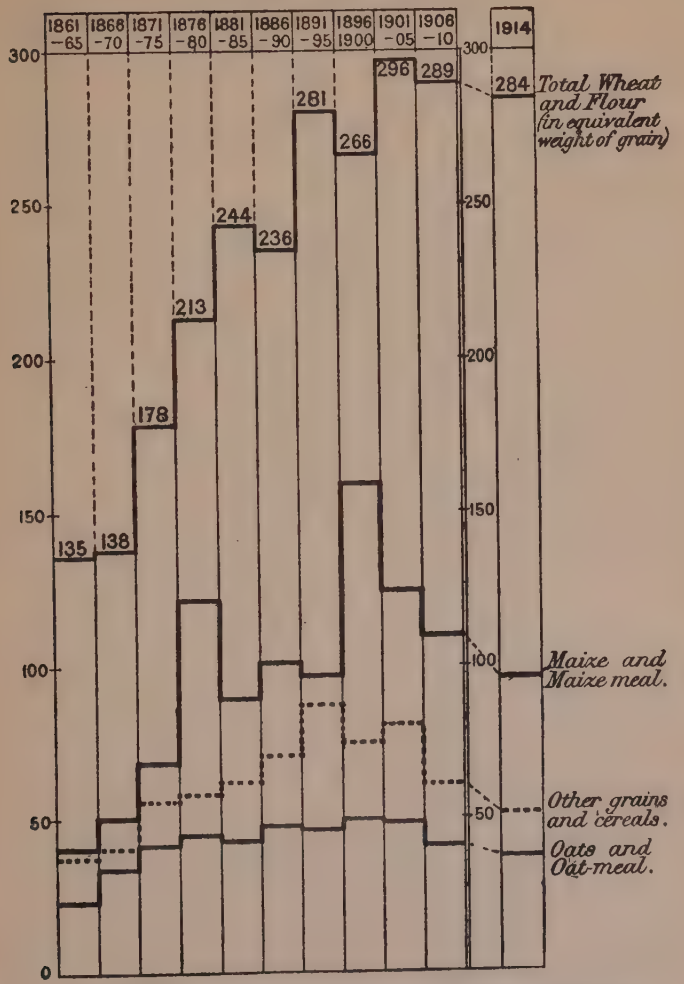
Deluding themselves that in our urban industries alone lay the source of all increase in national wealth, they lost entire sight of the fact that Agriculture is the primary, and must therefore always be the fundamental, industry of every country; that the more the land can produce the greater will be the home exchange between urban and rural products; and that the corner-stone of national welfare is the determination to ensure that the exchange within the country itself of urban and rural commodities shall be as high as possible.

* * * * *

In the early days of political economy the attitude towards land was much sounder than it is to-day. Adam Smith, for instance, fully realised the value and the importance of land to the nation, and ever insisted upon the fact that the soundest source from which increase in national wealth could come was the land.

But, unfortunately, succeeding schools of economists got further and further away from this truth, and the final result has been that as a great national asset land has been neglected. All attention was concentrated on developing urban industries; in consequence many of our urban

No. 1. Growth in Imports per Head of Population: Cereals



This diagram shows the steady growth (in lbs. per head of population) in the imports of grain and flour.

industries have become over-capitalised, and, as population follows capital, our towns have become overcrowded.

The reverse has been the case with the agricultural industry. Owing to the lack of a National Land Policy agriculture for many years has suffered from want of capital, and even to-day, after a series of fairly prosperous years, the capital per acre invested in agriculture is, I think, about one-half the average so invested in Continental countries. A working capital of about £7 an acre is probably the average for the United Kingdom, while on the Continent it varies from £12 to £15 per acre and even more.

The natural consequence is that our industry of food production has been steadily decaying.

(1) Our Agricultural population is decreasing. There are one million less labourers on the land to-day than there were sixty years ago. In other countries the agricultural population has decreased relatively, but in no other country in the world has the agricultural population declined absolutely as it has with us.[1]

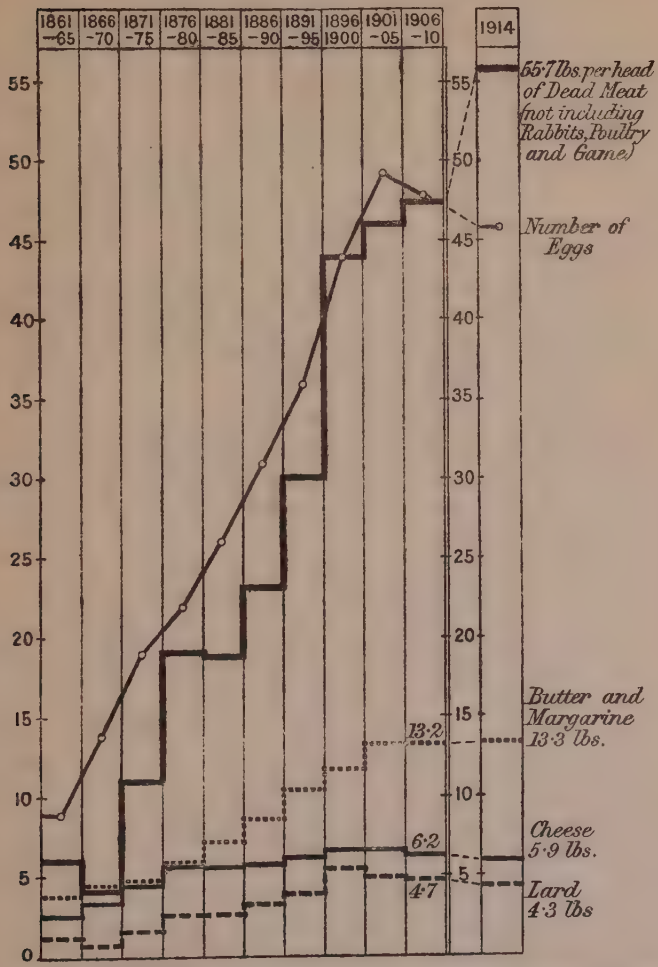
(2) The production of our land is diminishing. During the last sixty years 4,000,000 acres of arable land have gone down to grass. Even during 1914, in spite of the appeal to farmers to increase their production, 10,000 acres were added to the already uneconomic proportion of grass.

Serious men at different times have noted the phenomenon that our agriculture has not only

[1] The total number of males aged 15 years and upwards engaged in agriculture in England and Wales at the date of the

(*Continued on p.* 16.)

No. 2. Growth in the Imports per head of Population: Animal Products



There is an equally persistent increase (see Diagram No. 1) in the importation per head of the population of animal products: lard, cheese, butter and margarine, eggs, and meat.

failed to equip itself to keep pace with the increasing home demand for food due to the increase in the population, but has actually failed to maintain its efficiency, and so reduced its output.

But they found comfort in the axiom—invented by themselves to cure their qualms of conscience—that a nation cannot at one and the same time be a great manufacturing nation and a great agricultural nation, but that it must be either one or the other.

Others, speaking on behalf of agriculture, declared that any great increase in the agricultural output must take place either in cereals or in live stock: it cannot take place in both.

1911 Census was 1,104,834, comprising 208,750 farmers and graziers, 730,513 farm workers, and 165,571 other persons.

The following table, compiled from the 1911 Census returns, shows the number of males in England and Wales aged 15 years and upwards engaged in agriculture, i.e. on farms, woods and gardens:—

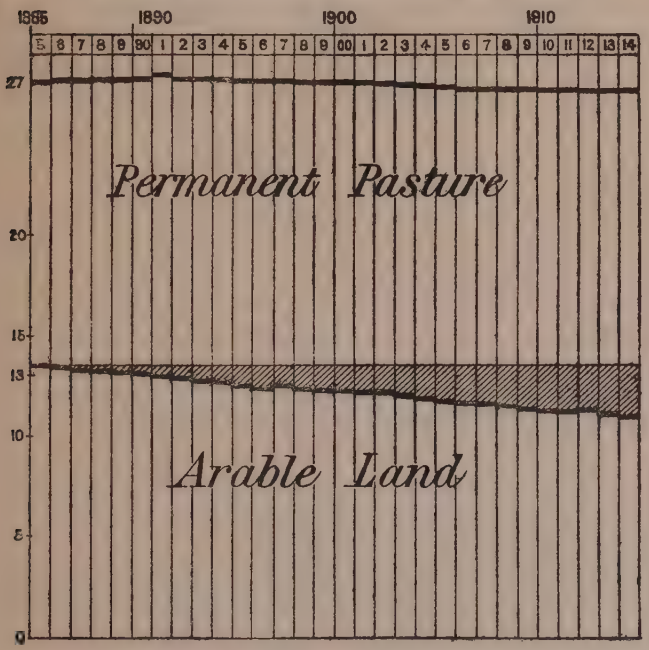
1. Farmers and graziers		208,750
2. Farmers' and graziers' sons and other male relatives assisting in the work of the farm	92,294	
3. Farm bailiffs, foremen	22,141	
4. Shepherds	20,478	
5. Agricultural labourers in charge of cattle	65,777	
6. Agricultural labourers in charge of horses	125,813	
7. Agricultural labourers not otherwise distinguished	404,010	
Total farm workers		730,513
8. Woodmen, nurserymen, seedsmen, florists, market gardeners (including labourers), other gardeners (not domestic), agricultural machine proprietors, attendants, etc.		165,571
Total males engaged in agriculture		1,104,834

It is true that the census for 1910 showed some increase in the rural population as compared with the census for 1900, this there are certain reasons connected with the Boer War for, but, and in 1911, 1912 and 1913 the emigration from rural districts was very high.

But both beliefs are exposed as fallacies by a glance at the statistics published by our Board of Agriculture. There we find the following facts.

The area of our grass land has increased at the cost of the land under the plough. (See diagram No. 3.) The head of stock has not increased in proportion.

No. 3. How the Arable Land of England and Wales is gradually reverting to Grass



The shaded portions show the extent to which permanent pasture is slowly eating into our land under the plough.

Total cultivated area in 1914 .	27,114,004
Arable land . . .	10,998,254
Permanent grass . . .	16,115,750

As regards cereals, statistics tell us that during the twenty years between 1893 and 1913 our production of cereals had decreased by 3,000,000 quarters—from 38,000,000 to 35,000,000 quarters—while the production of cereals in Germany during the same twenty years had risen by the enormous amount of **63**,000,000 quarters—from 96,000,000 to **159**,000,000 quarters (p. 19). And this, be it noted, not at the cost of other branches of agriculture; for their head of stock increased also, and side by side with a marvellous development of her urban industries.

Again, in Holland, Belgium and Denmark, during the past thirty years the yield of cereals per acre has been increased till it now stands at an average 25 per cent higher than the average for the United Kingdom.

During the past thirty years our average per acre for cereals has remained about stationary.

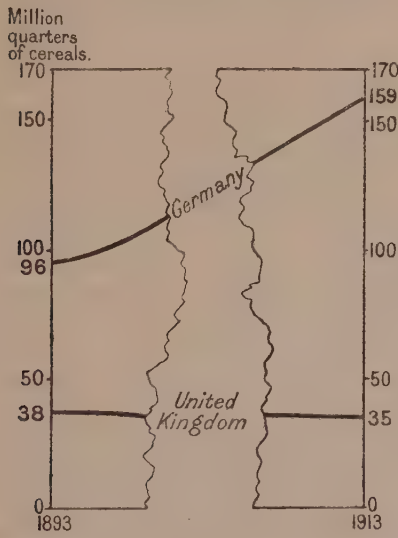
The seriousness of the fact that in spite of the fair prices which have maintained during the past seven or eight years, the total production of our soil tends to decrease, cannot be over-emphasised. The decrease would be much more noticeable if it were not for the fact that in certain areas there has been a great development of intensive cultivation in the way of market gardening, and the increase in this direction has made the decrease in actual farm produce less apparent.

A third source from which the people who like to take their opinions ready-made derive comfort is Malthus' theory that "Population must ever press upon the limits of production," and his "Law of Diminishing Returns." Both are wonderfully soothing for the uneasy conscience, and we cannot therefore wonder that they have taken great hold

upon a large section of the people, nor that they have maintained their hold to this day.

There is hardly an occasion when I am not asked when speaking on the subject of increasing the

No. 4. Production of Cereals in the United Kingdom and Germany



In twenty years our production of cereals has *de*creased by 3 million quarters.

During the same period Germany's production of cereals has *in*creased by 63 million quarters.

output of our soil—"But what about the Law of Diminishing Returns?" Of course, I will at once admit that in theory there is a point at which the law of diminishing returns becomes operative, but

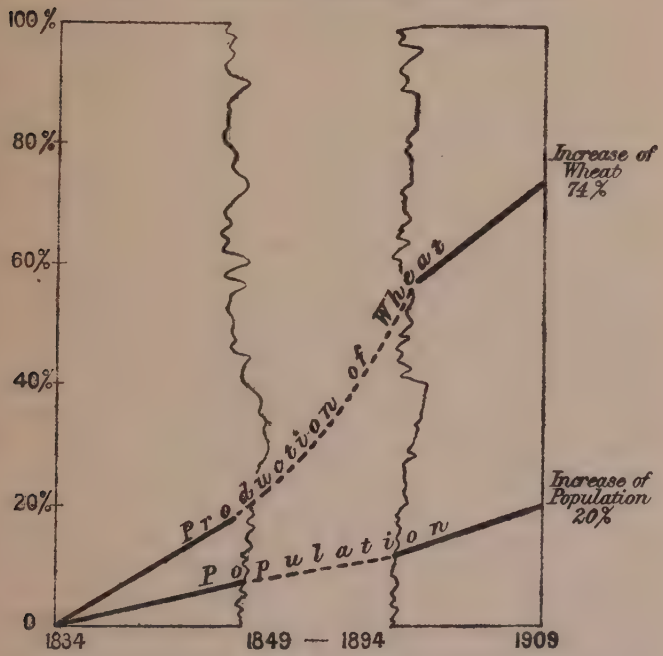
so far its actual position has proved rather elusive, seeing that scientific husbandry is for ever extending the limits in food production per acre. And in any case in English agriculture we are as yet so far removed from that point that for many years to come it should be our sole concern to deal with the urgent Necessity for Increasing our Returns.

Our economists have concerned themselves so little with the land that they have no practical knowledge of its potential productivity; indeed, to a certain extent this is true of the very food producers themselves when compared with the food producers of some other countries. The discoveries of Liebig and Lawes, for instance, placed at the disposal of agriculture means for largely, economically, and profitably increasing the yield of the land, but our farmers have not availed themselves of these means to anything like the extent of the farmers in Belgium, Denmark, Holland and other countries.

It is plain that every discovery in the science of plant and animal industry, every mechanical improvement, and every advance even towards a more rational distribution of the output strikes a blow at the doctrine of Malthus and renders ever more remote the point at which the "Law of Diminishing Returns" would become operative. These constant checks upon the operation of this law our economists have entirely failed to see, or certainly failed to take into consideration. It is true that to anyone not well acquainted with agricultural history the effects of the agricultural depression in the "Eighties" might seem to supply a proof for the Malthusian doctrine, but the proof is superficial, and without relation to the actual facts.

When the sudden competition of the virgin soils of the New World caused a disastrous decline in the prices of agricultural commodities our farmers,

No. 5. Malthus' theory and France



While the population of France increased between 1834 and 1909 by 20 per cent., the production of wheat increased by 74 per cent. There was a corresponding increase in every other branch of food production.

as a rule, decided that the day of high farming had passed ; that the one hope of making the land pay was to put the smallest possible amount of labour

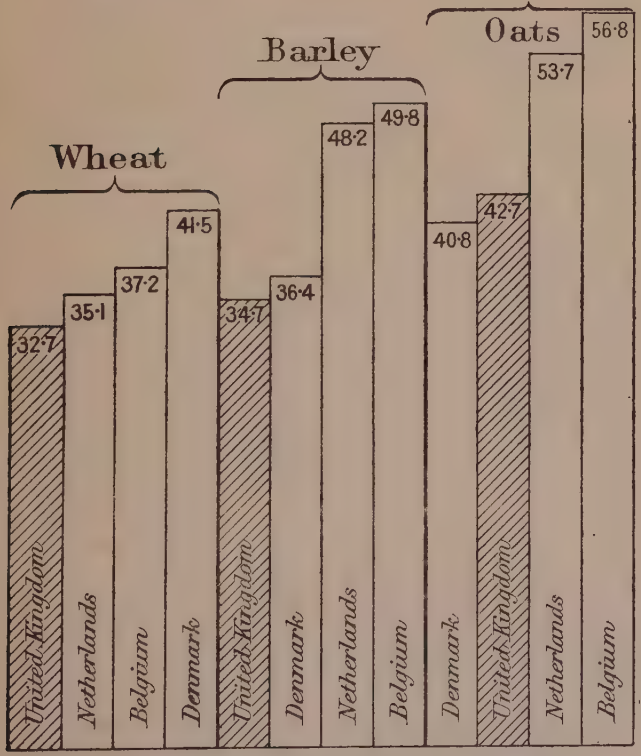
and manure into it, and to effect a further reduction in their labour bill by reducing the area of the farm under the plough—and consequently increasing the area of grass. Many thousands of acres were not only not properly laid down to grass, but actually allowed to fall down to that strange mixture of herbage which is still called "grass." Over large tracts the fertility of the soil was seriously let down, and the expenditure on cultivating the soil reduced to such an extent that the lessened return in many cases did not even pay for the minimum expenditure.

A certain measure of economy would have been highly desirable, even if there had been no depression, for there is no doubt that in the "good old days" English farming methods were extravagant and wasteful. When the depression in agriculture came wise economy became imperative, but unfortunately the economies effected were not wise. The landowner, like the farmer, did the obvious, but the obvious was the wrong thing to do. He thought that his share in helping the farming industry to withstand the wave of depression was to reduce his rent, but unfortunately low rents are not conducive to good farming. There were indeed some farmers who all through the period of depression maintained their business. They were those who refused to do the obvious: they did not scrap part of their machinery or let it go to rack and ruin, but improved it in such a way as to produce a proportionately greater output at a greatly diminished expenditure.

These men were forerunners of Sir Horace Plunkett, who has summed up the situation in his motto: "Better business, better farming, better living." But unhappily their number was too

small. There was no help forthcoming from the nation, because the nation did not realise then, as it is learning to realise now, that the land, as the

No. 6. Diagram showing the comparative yields per acre of Wheat, Barley, and Oats in the United Kingdom, Netherlands, Belgium, and Denmark



Under our existing system of farming we have long lost first place in the production of grain per acre.

floor-space on which we raise food for the people and strong bone and muscle for the country and the empire, is our greatest asset. If in those days the country had recognised this fact, State, landowner, farmer, would all have combined to create conditions which would have enabled the industry to pull through the crisis without suffering the appalling loss that it did. It would not have mattered so much if the loss had been confined to the landowners and farmers, grievous though it was, but it was the loss to the nation, which we now perceive in all its disastrous consequences: the lessening of its power to be self-supporting and the loss of country-bred population which alone can keep up the physical standard of a nation.

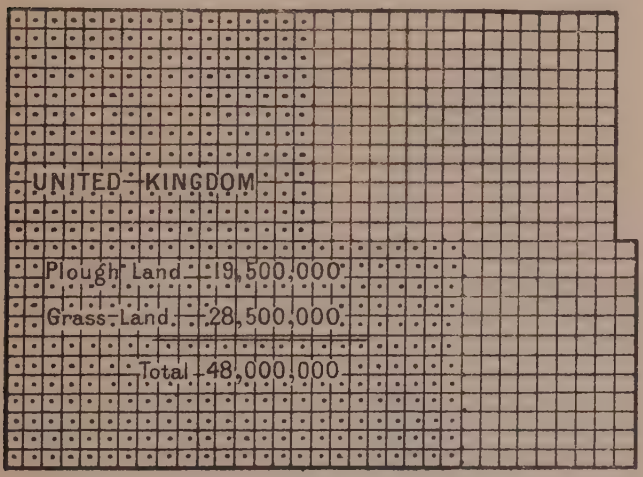
It is instructive to note how foreign farmers met the wave of depression which threatened to swamp all the Old World countries as a result of the agricultural competition of the New World.

In some European countries the presence or imposition of tariffs provided one way of combating this competition, but in no country did import duties constitute the only, or even the principal, means.

Agriculture abroad realised that the right way to meet the agricultural depression was to make the land produce more than it ever produced before, and to teach the farmers to obtain that increased production at a profit. In this effort farmers appear to have been assisted by the whole resources of their countries in foresight and forethought, for there is to be found in nearly all European countries the most carefully conceived development of conditions favourable to agriculture: the creation and extension of education directly beneficial to the industry, the encouragement of co-operation,

the creation of land banks and credit banks, the improvement of transport, and last, but not least, the creation of a great staff of "agronomes," or agricultural organising instructors, who have perhaps done more than anything else to raise the standard of cultivation on the Continent.

No. 7. Diagram comparing the Cultivated Areas of Germany and the United Kingdom



Each square denotes 100,000 acres.
Germany, 78,000,000 acres.
United Kingdom, 48,000,000 acres.

All this tended to create an atmosphere of security among foreign farmers which had formerly been wanting. From a state of producing in a more or less haphazard way for a more or less elusive market the whole industry of food production was reconstructed on lines of sound business: organisa-

tion rendered the producer sure of an outlet—a profitable outlet—for all he could produce; and he had therefore every incentive to give his undivided attention to raising the productiveness of his soil to a still higher point.

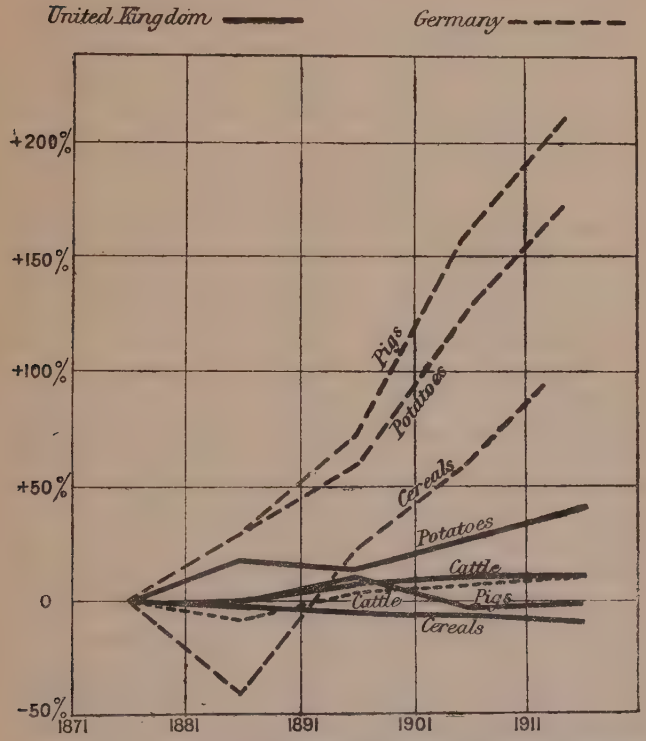
The essence of success in agriculture is "profitable markets." The most marvellous yield might just as well have not been unless the producer could sell it at a remunerative price. For while it is desirable to increase production, the mere doubling of production will not necessarily greatly improve the conditions of the farmer or relieve the burden of high prices to the consumer. It is a matter of record that the largest corn crop in the history of the nation[1] has yielded the producers a less amount of profit than has been obtained in certain years of less production, and it is also known that in these years of enormous crops the prices paid by consumers in most sections have not reflected, in a proper degree, the low prices paid to the farmers. With this knowledge of the facts, what farmer will be encouraged to grow "two blades of grass" when he fails to realise a fair return for the "one blade" which he now grows? It cannot be made clear to him that better returns wait on increased production until he feels that present production is fairly remunerative.

Farming should not only be a scientific occupation but a successful business. Every branch of the industry should be founded on well-established, economic business principles.

Numerous educational agencies have been at work to raise farming to the rank of a science, to

[1] Quoted from the Year Book of the U.S.A. Department of Agriculture.

No. 8. Diagram showing Percentage Increases and Decreases respectively in the main branches of Agriculture in the United Kingdom and Germany



The notable feature of this diagram is the enormous increase in the production of cereals in Germany as compared with a decrease in the United Kingdom.

See also Diagram No. 4.

teach the farmer how to make proper use of the forces of nature, and to work in harmony with natural laws. But conditions are now such that both producers and consumers feel there is something radically wrong with the business of marketing farm products.

To the careful student of the problem it seems evident that it is the lack of an efficient system of distribution and marketing that causes much of the trouble, and it is because of the lack of a marketing plan that the present-day average farming cannot claim to be a business, but simply an occupation.

This country [1] has innumerable examples of success in manufacturing, but where can be found one in which all the thought is given to production and no attention is given to the distribution and selling of the products ?

The farmer is himself a manufacturer, but when the manner of selling his products is observed the conclusion is formed that his marketing methods are not worthy of the name, as they consist chiefly of " dumping " rather than of marketing.

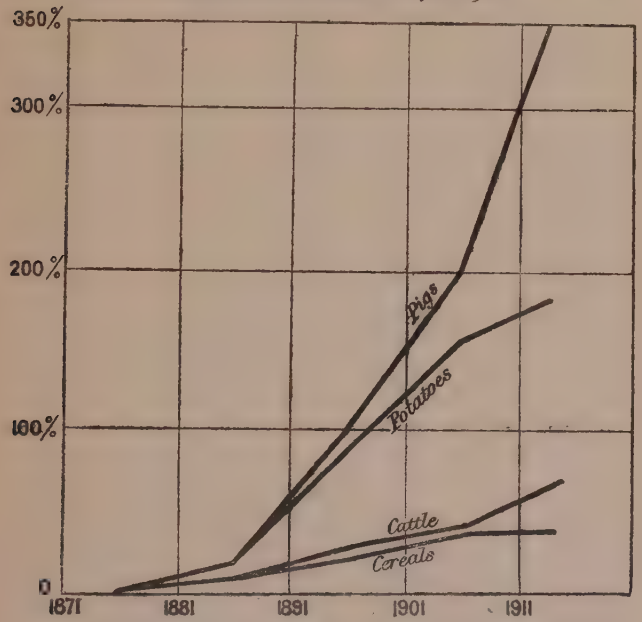
Many a case of so-called " over-production " is only a failure to distribute properly the products to the points where they are desired. While one market suffers from congestion caused by an oversupply, another may be suffering for want of a sufficient amount, and at the same time tons of food products may be wasting in fields and orchards for want of a profitable market. The remedy lies in a more uniform distribution.

Many reformers attribute marketing difficulties to the presence of so many speculators and middlemen, but it must be remembered that these inter-

[1] Year Book of the U.S.A. Department of Agriculture.

mediary agents have come into existence to perform services that the farmer fails to perform for himself. If the farmer will not, or cannot arrange to finance

No. 9. Percentage increase in the output of Denmark between 1871–1911



On poorer soil and in a less favourable climate than ours Denmark has effected an enormous increase in her output of food. This diagram illustrates her progress in the four main branches of Danish agriculture.

his business, he must expect to pay others to do it for him. If he will not or cannot store his crops and hold them until the markets are ready to use

them, he calls into existence a class of speculators who demand and receive a liberal price for taking the chance and performing these services. If he is unable personally to distrbute his crops and deal direct with the consumer, he must employ agents or commission men to do the work for him. All of these agents must be paid, and most of them are in a position to collect their charge, whether or not the consignor realises anything at all.

Successful farming operations are largely concerned with the elimination of waste—the waste caused by diseases and pests, the waste caused by the neglect of natural resources, and the waste of misapplied labour. If it appears that these present-day methods of distributing and marketing farm crops are wasteful, then it is the business of the farmer to evolve a plan whereby he can do some of that work which he now pays others to perform.

But the individual grower frequently discovers that he is unable to do certain things which are economically essential. The average grower is not competent to grade and inspect his own products, and even if he were, he does not produce enough to create a reputation beyond the limits of his own private trade. Not being able to ship full loads, his products are transported to market under more expensive truck rates. The extent of his business does not warrant any great expense in securing reliable information as to market conditions and prices. This lack of information puts him at a disadvantage when dealing with well-informed buyers. It might seem wise to attempt to increase consumption of a certain product by a campaign of educational advertising, but the individual producer cannot afford to finance such an undertaking,

as other producers would profit equally with himself in any resultant benefits. If all are benefited all should contribute. Working alone, the average farmer is practically helpless to develop an efficient marketing system.[1]

The quickest and most effective way of creating proper conditions of marketing is to develop co-operation throughout the country. But co-operation will do much more than that for the agricultural population. In the first place, it brings unity and uniformity of standard where there is now neither. It gives the small farmer the economic

No. 10. Statistics of Agricultural Organisation

	England and Wales.	Ireland.[3]
Population	36,000,000	4,390,219
Acreage under Cultivation	27,053,100	4,815,265
Agricultural Co-operative Societies	550	1,023
Turnover	£3,000,000[2]	£3,668,958
Total Membership	55,000[2]	106,301

advantages which are now only enjoyed by the large farmer who is a first-class business man. It helps the cultivator in his purchases as well as in his sales. Above all, co-operation is of great ethical and social value. It instils ideas of mutual assistance and citizenship and of subordinating individual interests to the good of the group. In return it gives to the small farmer a degree of real independence such as he has never hitherto known. It turns a loosely grouped set of people into a real community.

[1] Year Book of the U.S.A. Department of Agriculture.
[2] Estimated. [3] Figures for 1914.

This gospel has been preached for many years by the Agricultural Organisation Society. It began first as a private and voluntary body, but of recent years it has been speaking with Government recognition and Government support. During the years of its existence it has done most valuable work, but at the same time one cannot fail to observe that the number of farmers enjoying the benefits of co-operation is small, and the turnover of all the rural co-operative societies only a very small percentage on the total turnover of agricultural products.

No. 11. Statistical Position of Co-operative Societies in the United Kingdom

Number of Members	3,167,682
Share Capital	£40,822,192
Loan Capital	£23,657,247
Sales for 1912	£130,499,145
Net Profits for 1912	£13,372,501
Total Profits in the fifty-one years, 1862–1912	£234,617,537

The superficial explanation of this terribly slow growth of agricultural co-operation in England is that "the Englishman does not take easily to co-operation," because it is "some new-fangled foreign invention" and therefore disliked instinctively.

But the facts are that co-operation, as the world knows and practises it to-day, is English to the very root, and that by far the most gigantic development of co-operative buying and selling is to be found in England.

No, the truth about the slow spread of the co-operative gospel in this country is that the rural population is sparse and scattered; that in the bulk it is entirely without prospects of ever rising

above its low economic and social level; that as a consequence its outlook has been dulled and narrowed, and that it has become the worst organised agricultural population in the world.

"Our village life," says Mr. G. W. Russell, the Irish poet and land reformer, "is dull because it is the life of isolated individuals. Our rural populations are no more closely connected for the most part than the shifting sands on the seashore. There are personal friendships, of course, but few economic or social partnerships. Everyone pursues his own occupation without regard to the occupation of his neighbours. If a man emigrate it does not affect the occupation of those who farm land all about him. They go on ploughing and digging, buying and selling, just as before. They suffer no perceptible economic loss by the departure of half a dozen men from the district. A true community would, of course, be affected by the loss of its members. A co-operative society that loses a dozen members, the milk of their cows, their orders for fertilisers, seeds and feeding stuffs, receives serious injury to its prosperity. That is the difference between a community and an unorganised population."

* * * * *

As for the higher strata, the farmers, small, medium, and large, their response has been slow because in many districts they are few and far between, and co-operation is not practicable nor profitable unless there is a sufficient number of men ready to co-operate; and fairly generally the farmer has been running a big account with his cake and manure merchant, and either would not,

or more frequently could not, close his account and buy for cash from a co-operative society.

What the different districts stood in need of was a strong leader. The natural leaders as a class were the landowners. Unfortunately, they did not lead. They might have played a great and noble part in the reorganisation of the entire rural life, but failed to see the duty which their position called upon them to fulfil.

No one will deny I think that in spite of all we have heard in certain quarters landowners are still a very important section of the community, and few who really know English country life will deny that English landowners, as a whole, have been a good and upright class of men, doing their duty to the best of their ability and according to their lights. But the unfortunate thing is that to-day the landowners' attitude towards the land is really just about the same as it was in the eighteenth century.

Most landlords do not nowadays derive their income from the land as the direct result of efforts applied by them in the cultivation of the land. They do, of course, cultivate their home farms, but they can rarely be said to make any income out of the operation. On the Continent the majority of estate owners derive the bulk of their income from the land they cultivate themselves: indeed they make a very good thing out of it, for the reason that landowning is there regarded as a profession which demands serious training like any other profession. We shall have to accept this principle here before landowners can play their part as the natural leaders, and agricultural conditions can become really satisfactory.

One idea still prevalent among the landholding class is that the land is an amenity for the few. They fail to realise that in a country like ours, land must needs be a necessity for the many. The primary function of land is food production. The lessons of the war render a proof of the truth of this statement unnecessary.

This view of the land being an amenity either led directly to the neglect of the land or was itself the outcome of seeing so much neglected land. But the effect in each case was the same: a reduction in our output of food. This fact brought up the socialist with his equally superficial view. "Look at the rich landowners," he says, "with their enormous rent rolls. What right have they to charge any rent at all?"

Now let us see how much income the landowners derive from agricultural land. Here is a diagram which tells the facts at a glance. (See next page.)

The total aggregate income of the United Kingdom in the form of rent from land is about £250,000,000 a year.

The gross rental of agricultural land is about £40,000,000 a year.

Of this, some £17,000,000 are expended every year in the upkeep of the farms.

The net rental of the rural landowners of the United Kingdom amounts therefore only to about £23,000,000. But even then we have not done justice to the landowners, for the bulk of the £23,000,000 is not rent at all, but represents a low rate of interest on the capital expended by landowners in buildings and other improvements.

I suppose the best known law of rent is Ricardo's, but it always seems to me to be a most unsatisfactory one. It leaves out the human element, and for this reason alone I think it falls to the ground. No hard-and-fast law of rent can be made, for the human element must be taken into consideration, and the human element varies continually. Agricultural land being really consolidated capital, it can either be purchased by the would-be cultivator, more or less as an investor buys securities, or it can be hired on the payment of interest in the form of rent. I think that from the point of view of a practical man some such definition as the following more nearly meets the case than does Ricardo's :—

" The price of land and the rate of rent is fixed by the value of the land to the cultivator, influenced by the consideration : Can he make his living off land bought or rented at a given price ? And although the law of supply and demand undoubtedly affects the price of land it is much more affected by other conditions, for example, the standard of skill, intelligence and energy of the race of cultivators, the presence of conditions favourable to the industry and the state of organisation of the industry."

* * * * *

The principal points to be remembered in connection with the landowners are that if they are to consolidate and maintain their position they must :

(1) Consider and understand their position in regard to the State.

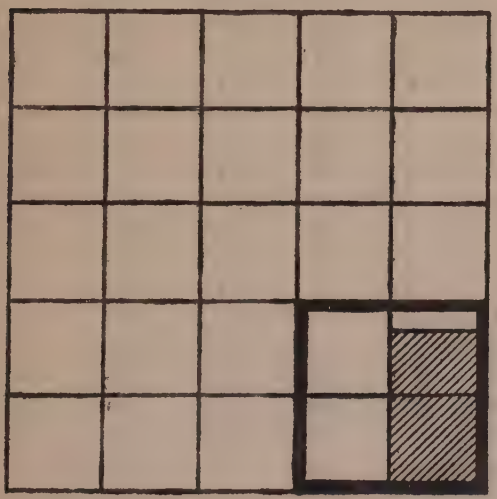
(2) Realise that they are the stewards of the Nation's greatest asset.

(3) Become active leaders of the agricultural industry.

In Denmark landowners have so undeniably "made good" and their productive power is such an important economic factor in the welfare of

No. 12. The Income of Landlords, Urban and Agricultural

Each square represents £10,000,000



The large square represents the total income of the United Kingdom in the form of rent—£250,000,000.

The small black square represents the gross rental of agricultural land—£40,000,000.

The shaded portion shows the amount—£17,000,000—which has to be spent every year in the upkeep of the farms.

the State that even the extreme socialists have to admit that the standard of efficiency and rate of production is highest on the large estates—and this in a country where efficiency is generally high, and the output per acre exceeds ours by 75 per cent.

If our landowners are to attain a similar standard they must receive a thorough training, and learn to run their estates on business lines and make them yield the utmost net profit. It is only by doing this that landowners can avoid being pauperising agents, as they are at present, and exercising in consequence a harmful effect upon all the people employed on their estates. The slackness of estate labourers is notorious, and berths on an estate are referred to among them as "soft jobs." But this slackness, which is a moral as well as an economic evil, is, together with the system of ludicrously low rents for the land, the inevitable result of having landowners who are completely out of touch with the practical details of their calling and see nothing incongruous in inheriting a profession!

If the landower is properly trained to the profession he will make more money out of his estate. If he makes more money out of it he will have more money to spend on its development, and so the whole district and through it the country would benefit. And as example is better than precept, he should make whatever land he farms a demonstration of profitable farming so that his tenants if they choose can see what the application of certain principles to the land can do.

Few of our landowners have any conception of what an estate properly run should pay them.

There are countless examples of Continental estates of which the owner himself farms the larger proportion, earning £3 and even £4 an acre as net income. If a practically unencumbered estate in England of 5,000 acres of average agricultural land yields £2,000 a year net the owner is doing pretty well. Similar estates on the Continent, on the same type of land, yield to their happy owners some £15,000 a year net income.

The Continental landowner, in a word, knows his business—which is to obtain the optimum yield at a minimum cost, while not only maintaining, but even increasing the soil fertility; and to dispose of the produce in the best market and so obtain the maximum net profit.

* * * * *

Farmers abroad and also in our Dominions usually ascribe their success principally to the fact that they own their land, and that whatever they put into it in the way of knowledge, labour and capital, is not going to benefit any but themselves.

Our system in England is one of tenancy. In no other country in the world is the proportion of occupying owners so small and that of occupying tenants so large. It stands at 12 and 88. In Denmark it is exactly the reverse—88 occupying owners and 12 tenants. Sixty years ago the proportions in Denmark were exactly the same as they are with us to-day, but a wise Government and an educated people realised that a change was needed, and gradually brought it about by the establishment of land and credit banks, and by a series of closer settlement acts.

I am not advocating that our system of tenancy

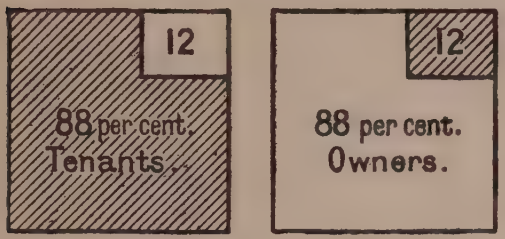
should be abolished, but I am convinced that on every ground—social, moral and economic—it is highly desirable that the number of owners should be raised. Unfortunately, with us the question of "Tenancy or Ownership" has become a Party question—which means that it has never been considered dispassionately and purely on its merits. And yet it is a most important question to answer. For on its solution will depend whether we shall be able to arrest the downward movement in our output of food and in the number of people living on and by the land.

Far too often tenants will be found trusting to their landowners to help them over difficulties which they should make an effort to surmount themselves. Again, under our present system landowners do all the repairs of buildings, whereas in the old days it was customary both for the occupying owner and the tenant to do their own repairs. It seems clear that if a farmer is responsible for the upkeep of his buildings he will look after them much better and put in that "stitch in time" which is the most economical way of keeping buildings in good condition.

The difficulties of altering our land system so that it would work to the best interests of the entire nation are neither few nor slight, but I am not yet ready to believe that it is beyond our joint intelligence to discover an equitable way of dealing with the land. A promising start in that direction has been made by partnership farming. I am not suggesting that this system could become universal and form a substitute for tenancy or ownership, but it might nevertheless be largely developed especially by landowners on their home farms and any other farms which they may have on hand.

There are several variations of this system, but in general terms partnership farming means that the landowner provides the land and the working capital, and the carefully chosen and highly skilled partner supplies the practical knowledge and the active management. The active partner pays the full rent to the landowner and 5 per cent interest on the working capital. After that the net profits are divided between the two partners.

No. 13. Ownership or Tenancy?



England. Denmark.

In connection with this diagram see again diagram No. 6.

This is really a modification of the Metayer[1] system. It is practised in many parts of the United States, and there are also one or two very successful examples in the United Kingdom.

The main advantages of this system are that a farmer, young, enterprising, and highly skilled, but without capital, is given an opportunity for which he would otherwise have to wait many years; and that the landowner obtains the services

[1] See Appendix, p. 135.

of a highly skilled man with a direct interest in the farm, and receives in addition to his rent and the interest on the working capital a definite proportion of the farmer's profits.

* * * * *

The factor next in importance in any attempt to reconstruct our industry of food production on a basis of greater efficiency is the "staff." If we are to bring about a great increase in the productiveness of the land it is plain that we must effect an increase in the number of the workers on the land. This increase can only take place under two heads :

(1) In the number of the holders.
(2) In the number of agricultural labourers working for farmers.

The necessity of increasing the number of labourers if we wish to produce a large output is not likely to be disputed by any practical man, but there exists very considerable doubt concerning the wisdom of creating still more holdings. Indeed, the firm conviction is held in influential quarters that the subdivision of our land has already gone too far, and that the uneconomic effects produced by it can only be remedied by the consolidation of holdings.

On pages 45 and 47 are two diagrams prepared from the statistics collected by the Board of Agriculture.

In the first diagram columns 1, 2 and 3 represent the small holdings, 4, 5 and 6 the medium farms, and column 7 the large farms.

Numerically the small holdings are vastly stronger than the number of medium and large

farms put together, and it might seem that England so far from being a country of large farmers is very largely a country of small holdings.[1]

But we obtain a very different aspect if we group the different classes of holdings according to the acreage which they occupy. Thus diagram No. 15 shows us that the 14,413 large farmers occupy 2½ *million acres more* than all the 291,722 small holders put together, and diagram 13 shows that though small holders are twice the number of the medium and large farmers, they occupy only a very insignificant portion of our total acreage.

This diagram incidentally gives us a clue to the manner in which public agricultural opinion is formed in this country.

* * * * *

I referred just now to the school which holds that small holdings are uneconomic units, and opposes their creation in every possible way.

[1] Table showing number and size of holdings in England and Wales, 1914.

Size.	Table Number.	Total acreage.
1–5 ...	91,570 ...	282,980
6–20 ...	121,698 ...	1,366,990
21–50 ...	78,454 ...	2,636,094
51–100 ...	59,514 ...	4,324,724
101–150 ...	31,860 ...	3,942,165
150–300 ...	37,615 ...	7,844,200
over 300 ...	14,413 ...	6,736,767

291,722 small holders
128,989 medium farmers
14,413 large farmers

Total 435,124

128,989 medium
14,413 large

143,402 medium and large holdings

On the other side there is the school which sees in the small holding the true economic unit of the future and looks forward to the day when there will be no more large estates and farms, but a network of small holdings and market gardens covering the whole of England.

Both schools are partly right, and partly wrong, for the truth lies half-way: in certain districts where certain conditions obtain the large farms are the most economic units, while in other districts it is the small holding on suitable land, properly farmed by the right type of men and under proper conditions, which constitutes the most economic unit.

* * * * *

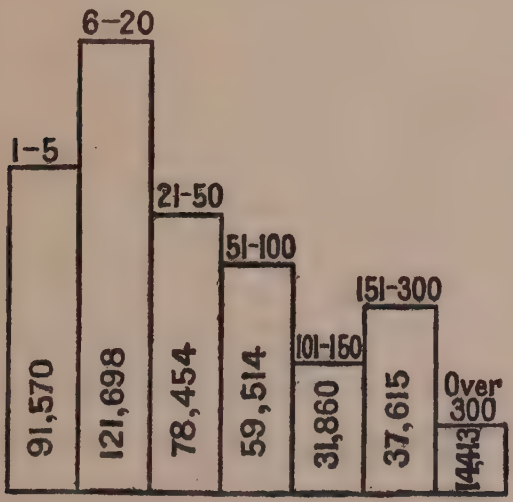
An argument frequently advanced is that since the large factory is more economic than the small factory therefore the large farm must be more economic than the small. As a statement this sounds highly impressive, but as an argument it has too many flaws: its premiss is too sweeping; the deduction is consequently wrong; and it compares things which in their nature are not comparable, since one works with forces of Nature and the living organism, and the other with mechanical force and dead matter.

It is not the case in all industries that large factories are more economic than small factories. There certainly has been a tendency in all industries towards the establishment of large and still larger factories, but this tendency was soon arrested in all those industries which demanded from their workers a certain degree of skill; and only continued in those where the worker is a mere "hand"—a human automaton making the *x*th part of a

needle or the *y*th part of a cheap watch, and so forth.

In all others there is taking place a definite movement towards complete decentralisation, due to the knowledge that a greater output and better work (which means more certain net profits) are more likely to be obtained where individual skill is encouraged to the utmost than where workers are depressed into the status of mere machine-minders in giant factories.

No. 14. How the Land of England is held



There are in England and Wales 235,124 holders of land. This diagram groups them in classes according to the size of their holding. See also footnote, p. 43.

This tendency is especially pronounced in the industry of food production, because no other industry depends so largely for its sustained success upon individual skill and knowledge as agriculture. All our Allotment and Small Holdings Acts, all the Land Acts of European countries, all the Closer Settlement Acts of our Dominions, are incontrovertible evidence of this truth. All admit by implication that the aggregate intelligence and skill of, say, ten men expended in manipulating 1,000 acres produces better economic results (to say nothing of the social effects) than the intelligence and skill of one man.

True, if the ten men are placed on their hundred acres under circumstances which do not make for economy, all their skill and intelligence will not in the end avail; that is, however, no disproof of the general statement but rather a reproach against the powers that be who dabble in home colonisation without a knowledge of its principles, or the ability to apply them.

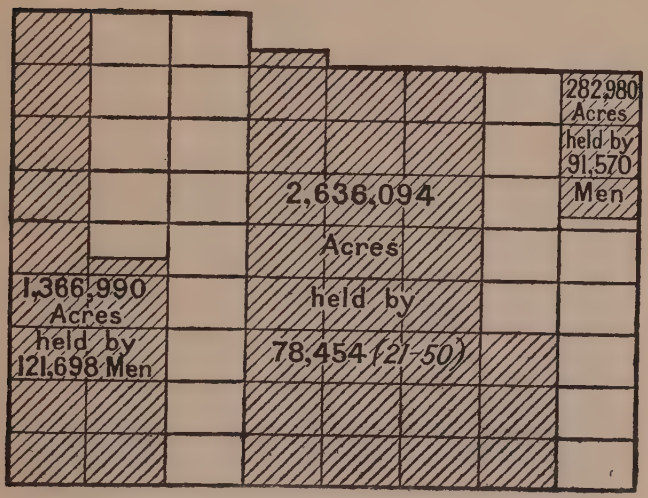
Until recent years we had to rely for statistical proof in this controversy of large farms and small holdings upon figures obtained from the Continent,[1] but thanks to the Cheshire County Council we are now able to give figures which anyone with a doubting mind may at any moment verify for himself.

[1] In Germany the relation of the head of stock to the size of holding is shown in the following table:

Size of Holding.	No. of Holdings.	Cattle per 100 acres.
From 5 to 12½	1,016,318 ..	34
From 12½ to 50	998,804 ..	26
From 50 to 250	281,767 ..	19
From 250 and over ..	25,061 ..	10

A study of the yield of small holdings in France shows the same results.

No. 15. Is England a Country of Small Holdings?



Each square represents 100,000 acres.

The large diagram represents the total area of large farms (over 300)—6,736,767.

The shaded corner on the right indicates the area under small holdings from 1 to 5 acres—282,980 acres.

The shaded portion on the left represents the area made up of holdings from 6 to 20 acres, and the shaded centre portion the total average of holdings of 21 to 50—2,636,094 acres.

Therefore 14,413 large farmers hold about 2½ million acres MORE than all the 291,722 put together.

CHESHIRE COUNTY COUNCIL

FOUR COLONIES AGGREGATING 3,070 ACRES

	No. of Holdings.	Population.	Cattle.	Horses.	Pigs.	Sheep.	Poultry.
As at present ..	95	536	2,282	170	1,256	210	3,400
Before purchase	29	175	1,142	63	306	190	760
Increase ..	66	361	1,140	107	950	20	2,640

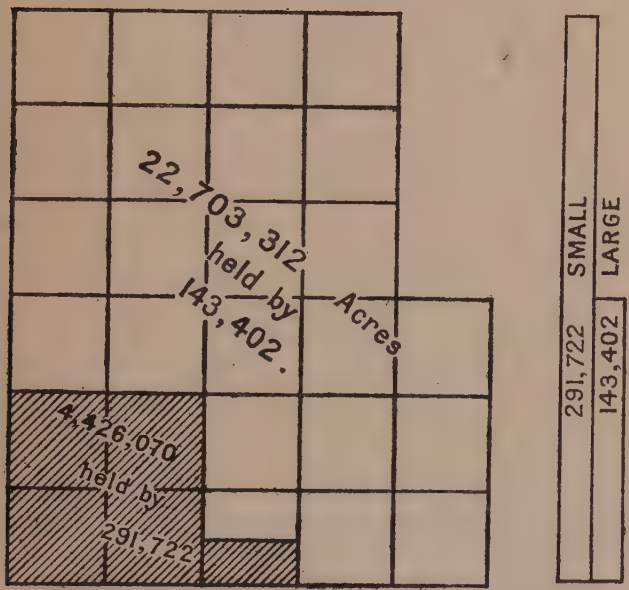
These figures prove that even to-day, under existing conditions, the conversion of large farms into small holdings means an enormous increase in the human and animal population supported by the land.

In spite of these figures it is an unfortunate fact that the position of small holdings generally is far from satisfactory. A considerable percentage of them is given up because their tenants "cannot go on any longer," and many others yield only a "hand-to-mouth" existence in return for very hard work. The superficial observer looks at these cases and generalises from them that small holdings are not economic units. He sees for instance a fifty-acre mixed farm, the tenant of which barely makes £80 a year, and accepts that as a conclusive proof for his theory that "a small holding is not an economic unit."

But let us look at the same sort of holding in the country of his chief rival, Denmark. The average Danish farmer derives an income twice as large, and there are many, as I have already stated, whose net profit is £3 or £4 an acre.

The explanation is that our small farmer, in addition to looking after his farm, has to fight a set

No. 16. Small holdings in England and Wales
each square represents one million acres



The white squares show the acreage held by the medium and large farmers. (See Diagram No. 14.) Though small holders are twice the number of that of the medium and large farmers, they occupy only an insignificant portion of our total acreage.

of hostile economic forces represented by foreign competition, high railway rates, and the middlemen, while the Danish farmer has nothing to do but to give all his attention to getting the utmost out of his land. The rest he leaves to his partner, Co-operation, who buys for him, collects his produce and sells it for him, and so retains for him the profit which in this country goes into the pockets of the many middlemen who stand between the producer and consumer.

But bad marketing conditions are not entirely to blame, for there is another reason: methods of cultivation. With us a small farm is too often cultivated extensively—as if it were a big farm. These small farmers try, indeed, to do what the large farmer is doing, without possessing the large farmer's capital, command of credit, or even his knowledge and experience. They fail to realise that a small farm is quite a distinct branch of the industry of food production, and that if it is to justify its existence must be intensively cultivated.

Belgium on 4,000,000 acres of land under cultivation produces annually £80,000,000 worth of food for man and beast, while our 50,000,000 acres of cultivated land produce about £200,000,000.

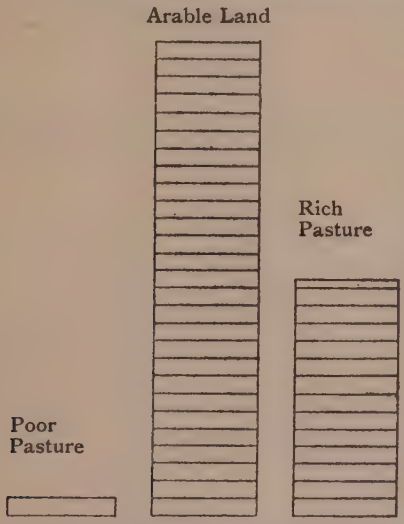
The rate of production with us is about £4 per acre.

In Belgium it is five times as high—£20.

The explanation of this startling disproportion undoubtedly is that far too high a proportion of our land is under grass, and as I have already shown, much of that grass is very poor and neglected. The faith of the average farmer in grass is perhaps the greatest of all the barriers to the development of agriculture in this country. For arable land can not only produce vast supplies of cereals, but

properly managed it can carry more stock and more cows than grass land. Professor T. H. Middleton, of the Board of Agriculture, speaking at the last meeting of the British Association, said : " A well-

No. 17. The Difference in the Rates of Food Production



If we take the quantity of human food supplied by Poor Pasture to represent one unit, then Rich Pasture supplies 13½ units and Arable Land 27 units.

managed arable farm is shown to be capable of supplying about twenty-seven times as much human food as our poorest enclosed pastures, twice as much as rich pastures, and about one-half more than well-managed grass dairy land."

His opinion is shared by all who have studied the question at all. Proof of it is forthcoming every year in all the three kingdoms. Abroad and in the Dominions this fact has been understood and acted upon for many years, but here we have a powerful section of agriculturists who deny it absolutely: the breeders of pedigree stock. Now, while I have the greatest admiration for what these men have achieved in improving English live stock, it must nevertheless be remembered:

(1) That the total export of pedigree live stock, which brings to them their chief fame, does not amount to a very large sum annually,[1] and,

(2) That the object and actual effect of the export of this pedigree live stock is to improve the live stock of *other* countries and so help them to compete in our own markets still more successfuly with our own home-grown meat. Anyway, even with the most advanced "plough-up-the-land" programme there will be plenty of grass land left for the breeders of pedigree stock.

Considering these conditions—the absence of co-operation in production and distribution and of

[1] EXPORTS OF LIVE STOCK FROM THE UNITED KINGDOM IN 1913

	Number.		Value.
Cattle . . .	7,341	...	£335,115
Sheep . . .	8,635	...	101,055
Horses . . .	69,878	...	1,882,995
	Total	...	£2,319,165

intensive methods of cultivation—it will surprise no one that the number of small holders in this country is decreasing slowly but steadily. With a view to checking this movement the Government brought in the Small Holdings Act, but its results have not been very satisfactory. The number of new holdings created under this Act is 17,000. This has taken seven years, has cost over £4,000,000 and entailed an enormous expenditure of time and energy on the part of all the County Councils.

No. 18. Permanent Grass and Stock-keeping

	United Kingdom. 1913.	Germany. 1912.
Permanent grass .	27,309,188	19,353,974
Less grass for hay .	6,678,642	14,623,682
	20,630,546	4,730,292
Total horned cattle .	11,936,600	20,182,021

Or in proportion to average—

United Kingdom . . 1 to 2⅓ acres.
Germany . . . 1 to each acre.

But an analysis of the figures shows even a more unsatisfactory result. Out of these 17,000 by far the larger proportion are tradesmen who have been provided with accommodation land (that is, an odd field or two of grass to keep a horse or cow upon), or existing holders have had a few acres added to their land.

All this I am quite willing to admit is to the good, but the cold truth is that the number of *bona fide new* settlers created under the Act is

very small indeed, and certainly does not exceed 1,200.

The unsatisfactory features of the Act are :—

(1) In the strict sense of the word it is not a Land Settlement Act, and does not recognise that the building up of the rural population is a matter of supreme importance.

(2) The administration of the Act has been placed in the hands of the County Councils, although very few County Councillors have studied the problem of Land Settlement, and many farmers—members of the Small Holdings Committees—are frankly hostile to the movement.

(3) Generally speaking, County Councils have bought land for Small Holdings in snippets here and there, and quite failed to evolve any comprehensive schemes of settlement. But buying in scattered units is bad from every point of view ; and land so bought is generally more costly and certainly more expensive to manage subsequently than land bought in fair-sized blocks.

(4) Although under this Act full powers were provided for starting credit banks and co-operative societies, they have not been put into force. It is therefore a perfectly just complaint that access to capital and the advantages of co-operation have been denied to these small holders.

(5) Under the present arrangement the initial, that is, the hardest years of the small holder's life are also made financially the

hardest. With utter disregard of what is equitable and sound business, he is called upon to pay more while he is trying his hardest to establish himself than later on when he has succeeded in establishing himself. It is needless to say that in other countries the procedure is exactly the reverse.[1]

(6) Another and still graver injustice is that the struggling tenant, though destined to remain a tenant for ever, should yet be forced to pay the purchase price for the land and in the end to make a present of it to the State *via* the County Council.

(7) County Councils have as a rule made little or no provision for the expert guidance of their small holders. This provision is made on the most generous scale in all other countries, including our own Dominions.

It will now be agreed that the Small Holdings Act has not been successful as a means of building up the agricultural population; and it seems also clear that if it is to fulfil its function as a closer Settlement Act it will have to be administered by an authority other than the County Council.

But though I am strongly advocating an increase in the number of small holdings, I do by no means wish to see England become a country of small holdings. There is not only room, but great need for having all kinds of farms: large farms where existing conditions render them the most economic unit of production; medium farms; and small holdings of

[1] See page 63.

all sizes grouped around them. In such a scheme there is room for a very considerable increase in small holdings, and I believe that if the right agricultural conditions are created it would be to the lasting benefit of the country to see another 5,000,000 or 6,000,000 acres eventually devoted to small holdings in the United Kingdom.

LAND SETTLEMENT AND EDUCATION

THE LABOURER

In the preceding lecture I endeavoured to show that we have in this country no system of Land Settlement worthy of the name. If, therefore, we are to build up a strong agricultural population and develop the resources of our land, we shall have to create machinery competent of dealing with the question on a comprehensive and effective scale.

On general grounds I am strongly in favour of local affairs being managed by local authorities, but where there is a function which local authorities cannot properly fulfil it is not wise to ask them to attempt to do so. Land Settlement is one of these functions.

This principle of administration was understood as far back as the days of Queen Elizabeth when there were three land settlement commissioners who resided in London ; and we are following a good precedent when we ask that any comprehensive scheme of land settlement shall be dealt with by a Central Authority.

Whether this Central Authority would be a Land Commission, analogous to the Development Commission, working under the Minister of Agriculture, or a new department of the Board of Agriculture, the essential point is that it should be comprised of men who have made a deep study of the science of home colonisation, know the principles that have made successful land settlement possible in every

country, and possess in addition that practical knowledge of English conditions which would enable them to adapt these fundamental principles to the needs of our own country. And while responsible for the administrative work the Central Authority should avail itself to the fullest extent of local knowledge and the voluntary assistance of all who are interested in land settlement and the minor problems for which it provides a solution.

The principles of successful land settlement are these :

(1) Men must be settled on the land not in isolated units, but in groups or colonies of sufficient size to secure economic and social advantages.

(2) Settlers must be provided with prompt access to capital by means of credit banks or credit societies of the type best suited to the local conditions and to the psychology of the Englishman.

(3) Co-operation must be encouraged from the very outset. To this end there should be a Central Depot in each Colony so that the advantages of collective buying and selling and the collective use of implements and horses will be available.

(4) Adequate expert guidance must be freely available for every settler.

(5) There must be a proper system of transport from the producers to the markets.

(6) The initial years must be made as easy financially as possible.

(7) A system of Ownership rather than of Tenancy should be aimed at.

I will leave the question of settlement by groups or colonies for the moment, and pass on to the second, the provision of credit. There has been with us so much talk about access to the *land* that the far more important point of access to *capital* has been almost entirely overlooked. For capital, or credit, is the key of the door even to the land. If proper conditions existed here as they do in foreign countries and our Dominions, whereby the would-be small farmer could with the usual safeguards borrow money when and as he wanted it, he would in many cases be perfectly capable of obtaining land for himself without the intervention of any third party.

In dealing with the subject of agricultural credit it is necessary to differentiate between credit for productive purposes and credit required for the purchase of land. The latter, in most countries, is provided by means of a Land Bank, in the form of long term loans. A Credit Bank, on the other hand (or Co-operative Credit Society) exists to provide the farmer with working capital in the form of short term loans.

Access to capital in this form makes a small holder independent of the trader. It enables him to choose his market both in buying and selling. Instead of having to sell when "needs must" because shortness of capital drives, he can afford to wait until he finds a more profitable market. In buying he is no longer obliged to accept the trader's terms and take what he is given, but paying cash for his purchase he can obtain the best quality of everything at the lowest possible price. The result is an all-round tuning up in the efficiency and productiveness of the holding; and it was said that in Germany, where the credit banks lent out £1,000,000

a day, one might walk along the country roads and pick out the fields of the farmers and small holders who were members of the credit bank.

Our Joint-stock Banks do not meet the need of the times as far as Agriculture is concerned, for it is to-day more difficult for the farmer to borrow money than for any other section of the community. In olden days when private banks did the banking business of the rural districts they were always ready to advance money to a capable cultivator of the soil, on his personal character as the security. But now the local branch of the Joint-stock Bank is principally an agency for collecting funds and transmitting them to the Head Office in London, whence they are lent to build "railways in Peru," or maybe to finance a big irrigation or reclamation scheme abroad, so that in due course our farmers shall have to meet still fiercer competition in their own markets.

People who are not acquainted with the aspects of rural credit are fearful of the risks which they anticipate in providing the small man on the land with credit, but for my part I feel strongly that it is perfectly safe, especially on colonies, to advance 80 per cent or even 90 per cent of the working capital needed to start the really competent man on his holding. That care will have to be taken in the granting of loans is an elementary precaution which is nowhere omitted, because the tendency of credit is to convert itself into capital, and in the pursuit of its aim it surrounds itself with safeguards which render a loss almost impossible.[1]

Unfortunately, the really competent food producer without capital has in the absence of an

[1] See Appendix, p. 129 ff.

effective system of credit banks little chance of showing what he can do. The few Village Credit Societies which are in existence supply between them barely a drop of the ocean of credit which is required for irrigating and fertilising our 50,000,000 acres of agricultural land and raising its productiveness to the higher standard of other countries—a standard which *is* higher because their working capital is more than twice the working capital employed on English holdings.

But if private effort and enterprise prove unable to provide the key to the problem it will devolve upon the State to devise a scheme of credit suitable for English conditions, and supply the greater part of the capital needed for establishing it successfully and permanently.

* * * * *

As credit is the key to the door which leads to the land, so it is the fountain-head from which every form of co-operative action flows naturally and easily.

The making of loans for any productive purpose leads to the almost simultaneous establishment of a Trading Department in charge of an expert in buying and selling : loans for the purchase of stock lead to co-operative insurance, and societies for improving the breed (bull- and boar-breeding centres) or the yield (cow-testing societies). Loans for high-class seed and fertilisers necessitate more thorough tillage (with the aid of implements and machinery supplied by Machinery Hire Societies), formed in due course.

Further, the tendency of credit to protect itself and render the borrower better able to

repay the credit granted to him, leads on one hand to agencies for securing better and prompter markets (Co-operative Dairies and Bacon Factories), and on the other to the elimination of losses by co-operative spraying against fungus diseases in potatoes, injurious insects and weeds (charlock), and by measures against the agents of decomposition (fruit and vegetable drying, preserving, pickling and jam-making). Indeed, co-operation is the foundation of all modern food production: in Belgium, where it does exist and flourish side by side with an almost perfect system of agricultural instruction, the rate of production per acre is five times as high as on our land, where it is practically non-existent.

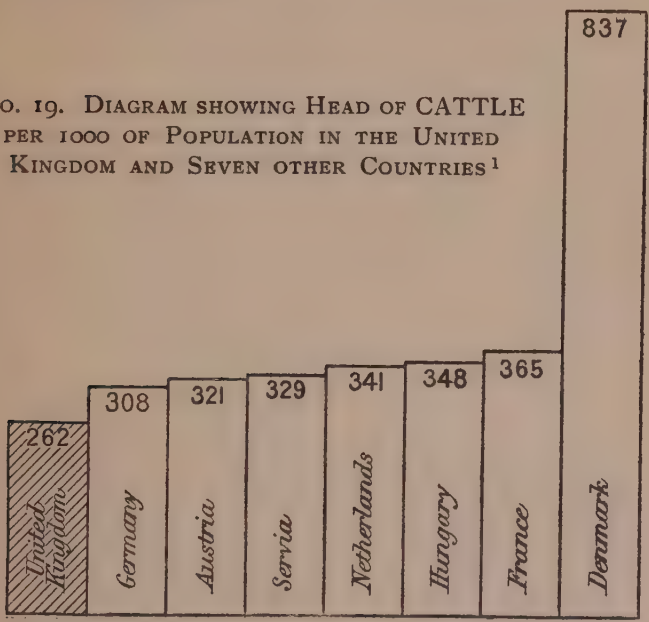
The need of providing adequate and efficient expert advice of the best kind for all classes of food producers, but especially on a colony which will have to rely for its success upon a highly developed system of intensive cultivation, requires no urging.

One of the great advantages of settlement in fair-sized groups is that the colony may be established on land at some distance from a station or market town, since the old difficulty of "distance has been conquered by petrol." A large colony is financially strong enough to have an efficient system of motor transport for collection, distribution and passenger traffic; and since distance no longer matters, land may be got very much cheaper than it could otherwise be bought. But cheap land means an enormous saving in capital expenditure, and a proportionately easier task for every settler on the colony.

In regard to the question of annual charges payable by the settlers, the merest common sense dictates that the earlier years of a settler's life should

be made as easy financially as possible, and that later on, when he is well established, he should be encouraged to pay off his outstanding indebtedness as soon as possible.

No. 19. Diagram showing Head of CATTLE per 1000 of Population in the United Kingdom and Seven other Countries[1]



We are told that stock-keeping is the "sheet-anchor of British farming." This diagram, together with Nos. 20 and 21, shows our position as a stock-keeping country, as compared with that of other countries.

In this respect we might learn a lesson from Sweden. There the practice is to charge interest at the rate of 3·6 per cent on the total expenditure per holding (including working capital), during the

[1] Board of Agriculture Statistics, 1912.

first three years ; from the fourth year the loan is divided into two halves, one half of which is liquidated by an annual payment of 6 per cent (including interest), while on the other half interest alone is paid until repayment of the first half is completed. This occurs in about twenty-nine years from the date of the loan. Then the remaining half has to be cleared off in five years.

Probably one effect of this war will be to make capital much harder to obtain, and the rate of interest will consequently be much higher ; but where the right conditions are created, and the men thereby enabled to do well on the land, it is astonishing to observe the large annual charge such men can pay apparently without any great effort, and certainly without prejudicing the sustained development of their holdings.

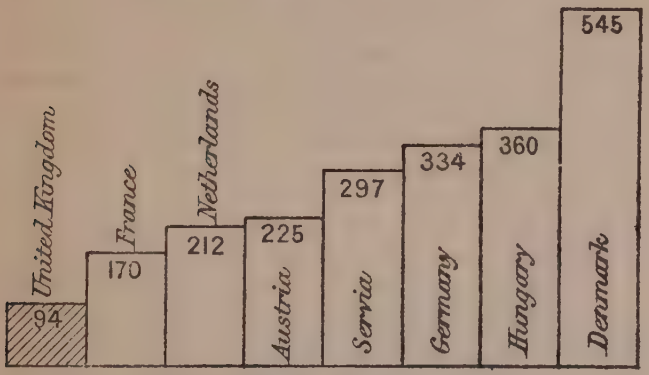
* * * * *

The last fundamental principle, namely, that ownership has proved the more successful form of tenure in Land Settlement, can hardly ever be stated in this country without arousing a certain amount of strong feeling, which is partly political, partly economic ; but even those who oppose ownership are forced to observe, as I showed in my last lecture, that wherever Land Settlement has been successful the system of land holding was one of ownership and not of tenancy. I am not one who would go so far as to say that sound land settlement is impossible to carry out under the tenancy system ; I am here merely stating a fact which the most superficial study of land settlement abroad, in the Dominions, and as near home as in Ireland, will disclose to anyone who cares to see it, that ownership, not

tenancy, was one of the factors in the presence of which land settlement proved successful.

A common objection raised by the opponents of ownership is that "it is bad business for a man to sink the bulk of his capital in the purchase of land and to leave himself without sufficient working capital to develop or even to carry on his farm."

No. 20. Diagram showing Number of PIGS per 1000 of Population in the United Kingdom and Seven other Countries[1]



See also Diagrams Nos. 19 and 21.

Of course it is. That is why in all foreign countries where land settlement is based upon ownership, and in all our Dominions, and in all the Land Purchase Bills promoted in this country, provision has been made to enable the would-be owner to purchase his land by means of annual instalments which include interest and sinking fund, and will secure for him the freehold of his farm for the pay-

[1] Board of Agriculture Statistics, 1912.

ment of charges (extending over a period of from thirty to forty years) not much higher than the sum he would have to go on paying *ad infinitum* if he were merely a tenant.

All that is needed to secure this is a Government system of land purchase. Owing to the lack of such a system every year many farmers are turned out of their homes when a landlord sells his estate. This is both an injustice to the farmer and a loss to the nation : and even the most elementary statesmanship would seem to demand that farmers wishing to buy their farms should be helped by the State to do so—exactly as is done for their competitors abroad and their brother farmers in the Dominions.

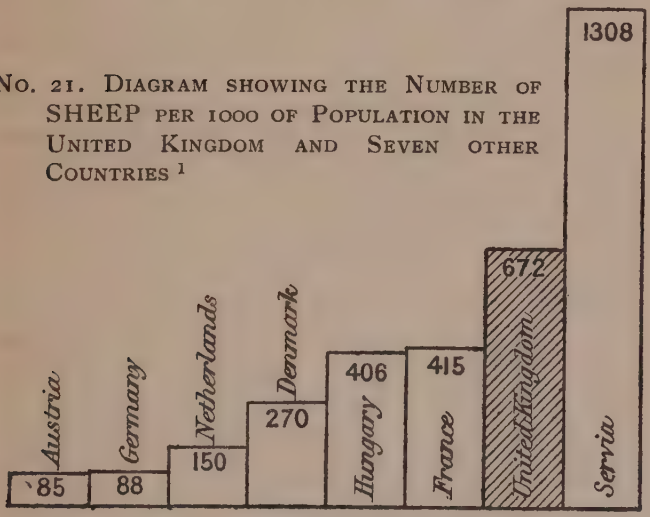
It is a rather curious comment upon this subject that those who put forward these political and economic objections to ownership do not seem at all to mind the fact that under the Small Holdings Act of 1908 the tenants are made to purchase the freehold of their land and to present it to the Nation —for that is what is and has been going on all over the country. The annual payments demanded by the County Councils are so calculated that at the end of eighty years the original purchase price of the land has been repaid and the land becomes the absolute property of the State—*not* of the heirs of the men who paid for it.

* * * * *

The placing on the land of ex-Service men desirous of a country life will bring the problem of land settlement prominently before us at the end of the War. But it will not do for us to wait until the ex-Service men have returned. We must create the machinery and have our system ready to put into operation when the need arises.

There are certain questions in connection with this scheme of settlement which are already being asked :

(1) Will the men wish to settle on the land ; and if so, in what numbers ?
(2) Is there enough land available for this purpose ?
(3) Are ex-Service men likely to make satisfactory settlers and win a fair living from the soil ?



No. 21. Diagram showing the Number of SHEEP per 1000 of Population in the United Kingdom and Seven other Countries [1]

(4) What is the best size of colony ?
(5) What will it cost to settle men on the land ?

From the personal canvass that I have made, and from such information as is attainable, there seems no doubt at all that a large number of men will elect

[1] Board of Agriculture Statistics, 1912.

a career on the land—*if* we will offer them the right conditions.

* * * * *

A satisfactory reply to the second question—"Is there sufficiency of land?"—will be found in the fact that here in England every year about a million acres of land changes hands, and that competent authorities seem to agree that whole estates can be obtained without difficulty. But there is another source of supply. Having regard to the sterner view which the country is taking in respect to the use made of the land by the farmers, it seems certain that many large farmers may have to be dispossessed of a portion of their holdings. They would, of course, receive fair compensation for disturbance, and the whole process should be effected in a way that will cause the least inconvenience to sitting tenants.

There are many tenants holding 4,000 and 5,000 acres in districts where twenty-five acre holdings would succeed admirably. And as from the national point of view it is of the utmost importance to increase the number of independent men living on the land and thereby the output of food per acre, I can foresee that private consideration of the individual large farmers will have to give way to the larger interests of the country.

In buying land for settlements the most expensive classes should be avoided in order to keep down the initial capital expenditure. The poorer classes of soil, provided that they are not too heavy in character, are admirably suited for small holdings. It is only necessary to visit Flanders and parts of Denmark to see what can be done with soils of this

type. As to the price, I have no doubt that large areas of suitable land could be obtained at an average price of twenty-five pounds per acre; and in addition there is Crown Land available, the appropriation of which would entirely save the initial expense of purchase.

* * * * *

In regard to the question: "Whether ex-Service men are likely to make satisfactory settlers and make a good living from the land," it must be remembered that many of the soldiers serving in the New Armies are highly intelligent men with a good business training. If a man has these two qualifications there is no reason why he should not succeed admirably as a small holder if he is settled on the land under conditions which will make for success—including expert advice at every step—especially if he can have six months' preliminary training.

This training could be given in several ways. First of all, each colony should have a fair-sized demonstration farm where a certain number of men should receive training before actually taking up holdings of their own. In addition our agricultural colleges should be used for this purpose to the fullest extent. Again, as far as possible, it should be arranged for the settler to take possession of his holding in October, for this would give him all the winter months in which to receive practical instruction right on his own holding. Perhaps it is in this way that the largest number of men could most easily receive this necessary training and post-war wages will be higher than pre-war wages.

If, as it seems reasonable to assume, there is such

a large demand for land on the part of ex-Service men that it will not be practicable to satisfy it at once, I would suggest that these men should receive a promise of their holdings as soon as they can be provided, and that in the meantime they should be encouraged to work as labourers on large farms and so acquire experience in the manual processes of farming. Anywhere north of Peterborough the wages are quite high enough to attract men if they have this definite prospect before them.

In a country which has done so little in the way of land settlement it is quite remarkable to see the extraordinary anxiety displayed by all and sundry in keeping townsmen away from the land. They seem to act on the belief that farming knowledge is inherited. Our Dominions and the United States hold rather different views. There one may find many examples of men who were brought up to a town life turning into most successful settlers. Since this War began I have myself employed several discharged Belgian soldiers, townsmen every one, who have turned into first-class farm hands and who are now qualified under guidance to take up and work holdings of their own.

There is really nothing more fallacious than to think that the typical agricultural labourer, who has worked all his life on a big farm, necessarily makes a good small holder. The truth is that he has been used to extensive cultivation, and is in consequence less amenable to advice about intensive methods than is the intelligent man who is not weighed down by tradition and fettered by prejudice, and therefore ready to do what he is told.

It has been objected that in the one or two experiments of which we have information, the settling of

soldiers on the land was a failure. That is quite true. But let us look at the facts. Those men were professional soldiers — non-commissioned officers, with long service to their credit. In one case there were three or four of them, with their families, settled near a village among farm labourers with whom neither they nor their wives with their experience of life in England and abroad could possibly have any points of contact. So they were thrown upon their own resources, and the resources of four families with the rigid traditions of the professional soldier will not stand the strain of being cooped up for a whole winter in a place miles from anywhere and with the same dull round from morning till night. These experiments were well-intentioned, but ill-conceived, and they failed in the end because they were failures from the start.

* * * * *

As to the sort of living a man would make on the land, this will largely depend on himself and the type of his holding. Even under our present unsatisfactory agricultural conditions there are many examples of small holders making a very good living. In the Evesham and Wisbech districts, and generally throughout the Eastern Counties, there are numerous examples of men making one hundred pounds a year clear off a five-acre fruit and vegetable holding. In Kent there are men, also on five-acre holdings, producing fruit, vegetables, poultry and pigs, making £100, £120 and £130 a year respectively, after allowing for pretty high annual instalments in the form of rent and sinking fund for their holding. I also know a case of an arable dairy holding of twenty-six acres

(where lucerne took the place of grass), which yielded its tenant last year a net income of two hundred pounds. Of course, the men have to work hard, but then they are their own masters, and within certain limits imposed by the seasons able to arrange the work to their own liking.[1]

Speaking from a fairly wide experience, I am convinced that our ex-Service men can earn a fair living and lead a wholesome and interesting life on the land, but I will once more emphasise this point that they must be placed on the land under right conditions, otherwise many of them will fail, and a grave injustice will be done to those men who have fought so splendidly for the Nation and have so strong a claim upon us.

* * * * *

In answering the question—"What is the best size of Colony,"—we must bear in mind that our object is to have a settlement which will secure all the social and economic advantages which arise from close settlement. To achieve this we must have a colony large enough and strong enough to have a Credit Bank, to organise motor transport and co-operative marketing, to employ a first-class organising instructor, with perhaps one or two assistants in special subjects –in fact to do all those things for the absence of which many small holders have gone under, and for the presence of which

[1] I well remember a man who had three acres near Evesham saying to me that formerly he was a road-mender under the District Council; that he had more or less to work in all sorts of weather, and was getting crippled with rheumatism, but since he had had his three-acre fruit and vegetable holding his health had improved wonderfully, because in bad weather he could always find enough work to do under the shelter of his shed. This man estimated his earnings at an equivalent of thirty shillings a week in cash.

these colonies will become real "live" thriving and prosperous communities.

It seems to me that to secure these conditions the area of the Colony should be about 2,000 acres, but the size would, of course, vary with the class of holdings developed upon it. Taking a 2,000 acre colony a considerable part of it might be laid out as twenty-five acre arable dairy farms, and another portion as five acre holdings and a certain number of one acre holdings—some even smaller. These would provide land for men who might furnish additional labour for the twenty-five acre holdings, or maybe for neighbouring farmers.

Or a certain number of these acre holdings might be allotted to partially disabled soldiers, for I think it in every way desirable that these men should be placed on the land amongst other settlers rather than in settlements entirely allotted to the partially disabled. The least number I would like to see settled together is one hundred families, for that is in my opinion the smallest number with which we could secure a beginning of community life, but I would certainly prefer two hundred families.

* * * * *

Finally, what will it cost to settle men on the land? The cost clearly will vary according to the purchase price of the land, the size of the holding, its cottage accommodation and equipment.[1] If military huts are available and are largely used,

[1] The Board of Agriculture has brought out a well-illustrated report of the Advisory Committee (1915) on the building of cheap cottages, which will be available when the time comes. Full working drawings and specifications of the cottages illustrated in this report can be obtained from the Board of Agriculture at a cost of 1s. 1d. per plan.

they could be made into very comfortable cottages, and the cost of housing the men would be proportionately cheaper ; nevertheless, a considerable sum of money will have to be advanced per family, in order to lay secure the foundations of success. This amount would range anywhere from £150 up to about £1,000, the larger figure being for a twenty-five acre dairy farm, inclusive of working capital in the form of cows, pigs, poultry, etc.

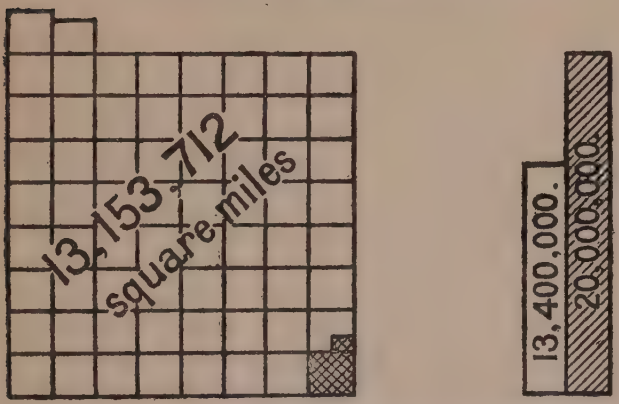
Taking the average outlay for a fair-sized group, I do not see how settlement can be effected at less than £500 per family even if the military huts are used. While true economy should be studied at every point, false economy would be worse than a crime—a fatal blunder.

People in this country are so much accustomed to see the land denied the necessary amount of capital for its development that horror will probably be expressed at the idea of advancing large sums for land settlement. But the point to remember is, that what we are asking for is not to spend money but to invest it in the best possible way in which it could be invested : the building up of a large agricultural population, the raising of the physical standard of the Nation, and the production of a larger output of food.

Whatever money is advanced, if it is advanced under a sound scheme, bears interest, and provision is made for its repayment. During the last fifteen years in New Zealand no less than £26,000,000 has been advanced by the Government for land settlement. There has hardly been a bad debt, and the Land Settlement Department, although not attempting to make a profit, actually draws a net revenue of £80,000 a year.

Although we have so far been dealing with the settlement of ex-Service men, we must remember this is only part of a greater problem for which we shall have to find a solution or run the risk of national extinction. Just at this moment the smaller

No. 22. The British Empire and Germany
A Study in Contrast



Each square represents 200,000 square miles

The large diagram shows the vast area of the British Empire—one-fourth of the land surface of the entire globe.

The tiny shaded spot in the corner represents the area of Germany.

Yet the whole agricultural population of Germany exceeds that of the whole huge British by over 6,000,000.

problem proves attractive because if ex-Service men are placed on the land under the conditions I have stated their success will provide a valuable demonstration, in fact the first demonstration ever made in this country, of how land settlement ought to be effected. But beyond the problem of how best

to give ex-Service men a share in the land of the country for which they have so valiantly fought, there is the greater problem of land settlement at home, and this again is part of the all-important problem of settlement and migration within the Empire.

Here is a diagram and a table. The table tells us that the white agricultural population of the British Empire is made up as follows :—

BRITISH EMPIRE

United Kingdom	8,000,000
Canada	4,000,000
South Africa	300,000
Australia	800,000
New Zealand	300,000
Total	13,400,000

That is to say, all the men, women and children living on and by the land, in an Empire which occupies one-quarter of the land surface of the Globe, total only some thirteen and a half millions, while in the small area of European Germany the agricultural population exceeds twenty millions.

Unpeopled and undeveloped land in our Oversea Dominions is a source of great weakness from the point of view of defence. Our depleted agricultural population and half-utilised land in the United Kingdom is a source of great economic loss. If we are to put the land of the United Kingdom to a fuller use, if we are to consolidate the Empire, we must have a larger agricultural population both at home and in the Empire. The question is—how to obtain it ?

To this there is but one answer : create the right conditions of country life, and guide the inclination of the rising generation to a career on the land by means of suitable education.

As a nation we have never yet asked ourselves this serious question : Is our present system of education producing the type of citizen we stand most in need of ? An authoritative answer to that question is to be found in the report of the Poor Law Commission. From the evidence given before them the members of this Commission came to the conclusion that although the majority of the citizens of any country must earn their livelihood by the work of their hands, our present system of education is " producing petty clerks rather than workers."

The aim of education should be to turn out men and women who can think correctly. And as the majority of people must live by the work of their hands, they must be taught to use their hands intelligently. This means that in the first place manual instruction should be developed in all our elementary schools. That form of education alone can be full and generous which develops the manual as well as the mental side. And as the mental activities of a child can often only be stirred by means of manual instruction " through the hand, to the eye, to the brain," it follows that the development of manual instruction in our elementary schools, so far from being injurious to the literary side, will actually benefit it. Here practical experience supplies the proof, for in those elementary schools where the manual method has been adopted and where most time is given to manual instruction the standard of book work is above the average. I hope I shall not be taken as intending to disparage

the value of book work. Indeed, no greater boon can be conferred upon the working people than a real love of reading, but I am afraid we must confess that this is a boon which our system of text-book work has certainly failed to confer.

I have no time to deal with this big subject of manual training at length, and must confine myself to two points. One is that special attention should be given to instructing girls in home craft. If we are to have a happy and contented race of country people the women must understand and take pleasure in the pursuits entailed by life in the country. There is a story of a great advocate of small holdings who was asked what seemed in his opinion the most important factor making for success—the land or the small holder—and who answered, "Neither: the small holder's wife." We want to turn out women who are practical and able to assist their husbands in building up their homesteads in a literal sense, should the need arise, as it would arise if they emigrated and became settlers in our Dominions.

We must face the fact that in the past the education of the mass of English women has not been sufficiently practical, and that they have been helpless when confronted with difficulties which women of other nationalities proved themselves quite capable of tackling. In our attempts to remedy this we have made a great mistake. We have given special instruction in a sporadic way; we have taught the young women about to colonise how to milk cows and perhaps how to make butter, but we have taught them nothing about the cows themselves or how to feed them. But it is the practical foundation work that matters: the frills can

easily be added afterwards or be picked up unaided by the women themselves when circumstances make it necessary.

The other point is that in providing manual instruction in elementary schools as little differentiation as possible should be made between boys and girls. Like the boys, the girls should work in the school garden, be members of a school co-operative society and learn something about poultry, bees and pigs, etc. They should also learn a certain amount of carpentry, just enough to enable them to put up a shelf or mend a broken chair leg if needs be.

On the other hand, the boys should all receive some instruction in simple cookery. It is most pathetic to see how helpless the newly arrived Englishman proves when left to his own resources in the backwoods; and no one can have followed the course of events during this War without realising what a great boon it would have been to our soldiers if their schooling had included just a little knowledge of simple cookery.

I am glad to think that the principle of the development of manual instruction in our schools is now generally accepted, but as it will play a predominant part in producing a more efficient type of citizen the process of instituting it is all too slow and urgently in need of being speeded up. At the same time, I cannot help but say a word of warning here: no teachers should be allowed to adopt the Manual Method (for it is a method and not the mere adding of certain handicraft subjects) unless they are properly qualified to teach it. Our teachers' training colleges must still further develop the manual side so that the new race of teachers

will be fully qualified; and existing teachers who have a natural turn for this work should have every facility granted to them for developing it by attending holiday and Saturday classes.

As to the cost of introducing manual training into the curriculum, experience has already shown us that an expensive equipment is not necessary: special manual instruction rooms may be the ideal to aim at, but they are not indispensable. The County of Cambridge is a good example of the kind of work that can be done in the way of giving excellent homecraft instruction in every single elementary school and by a member of the ordinary school staff.

In comparison with the results achieved, the cost is insignificant. In the Lindsey division of Lincolnshire there are now one hundred schools which give up three afternoons a week to manual instruction. The total cost of equipment has only averaged about £5 per school and the extra annual cost to the ratepayer only about £2 per school. It would be difficult to find a case in which public money is spent more economically and to greater advantage to the Nation.

Again, education must be continued to a later stage than at present if we are to arrive at that improved standard in our citizens which is necessary if we are to compete successfully with such highly organised and highly educated peoples as those of Germany and America.

* * * * *

Up to this point we are still entitled to speak of our system of education, but now we come to a stage where system ends and chaos begins. For

when you come to look at it with a critical eye, can anything be more foolish than for a nation to spend millions on the elementary education of its future citizens up to the age of fourteen, and then to allow the boys and girls to leave school and forget much that has been so costly to give?

What is the remedy? In the towns the school-leaving age might well be raised. In the country this is more difficult. Lads going in for agriculture should get to work on the land not later than fourteen, but under this system we find that a comparison between English farm lads and Danish farm lads in particular is very unfavourable to the former. Very much the same applies to Germany, Switzerland and Holland. The explanation is simple enough. Our lads' average of intelligence and efficiency is low because there is nothing in our system to keep the brighter boys in the village and so raise the general rate of efficiency. In the countries mentioned the utmost effort is made, and made successfully, to attach the lads to the soil and to raise the efficiency of all by a carefully designed system of education (itself again part of a rural civilisation of their own) which places them on the first step of the ladder of success.

If, therefore, we are to retain the intelligent lads on the land we too must provide a carefully worked-out system of continuation instruction which will carry on their education up to the age of sixteen as in Germany and Switzerland, and I think Holland, or even up to the age of eighteen, as in Denmark. This continuation instruction will have to be given in centralised continuation day schools,[1]

[1] These centralised schools are at work in Canada and are described in Report No. 4 of the Rural Education Conference.

for the evening school, although effective in the town, does not meet the need of a country population.

But to grant that the development of the Manual Method in all elementary schools is necessary, and to decide to introduce it as an excellent and necessary training for all children, whatever career they may adopt, is only part of the task before us. Another question is: How is the interest in the land and in agriculture to be stirred? The very first thing to do, it seems to me, is to rid our country schools of their urban atmosphere; they must no longer be "little town schools situated in the country," but the entire school life must be linked up with the village life, and so become not only an integral part of it but indeed the centre from which a new and better rural life shall spring. Every school must have its garden, to be used, not for turning out little make-believe gardeners, but rather as a blackboard on which as much of the general school work as possible shall be done.

In time we should see many schools with a school co-operative society run commercially. This society would deal with pigs, rabbits, poultry, bees, and the produce of the garden. It would teach business methods; arithmetic and book-keeping would be taught in connection with its work, but above all it would teach the children the chief duties of the citizen: mutual assistance and the necessity of subordinating individual interests to the good of the group. It would incline the rising generation to avail themselves of co-operation in every walk of life. Our rural population appreciates the advantages of co-operation less than almost any other race, and yet it is only by the fullest develop-

ment of co-operation that the poorer individuals in the community can secure freedom and equality. There are already several school co-operative societies which are doing most valuable work and would serve as guides for those who wish to follow their example.

Once this economic and sound ladder for which we are pleading is created the country teacher will be able to tell his children that there is a future for them on the land, just as he has in the past, I am afraid, told them with perfect candour that anyone who had brains should leave the country for the town or emigrate. In the work of rural regeneration the teacher can be made to play a powerful part, and though his stipend is hardly an acknowledgment of the fact, it is principally he who wields the power of moulding the mind of the nation when it is at its most susceptible stage.

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When this great change in the country elementary schools takes place, there is little doubt that there will be a greater inclination for a career on the land. But there are other sources from which the increase in the agricultural population can come. Take the Reformatories and Industrial Schools, for instance. Some of them have excellent farms attached to them and are giving first-class agricultural training. Some 1,500 Reformatory boys go on to the land every year and succeed well. This number could be greatly increased if all reformatories and industrial schools had farms attached and developed their agricultural instruction.

Again, there are 230,000 Poor Law children.

Influence should be brought to bear upon them to go in for that career which will be most beneficial to the State and Empire. They are brought up at the State's expense and it is only right to ask them in return to go in for the industry which is, on the one hand, the most important nationally, and on the other, shortest of workers.[1] Orphanages and religious institutions might also greatly increase the proportion of their pupils who go in for agriculture.

In addition to these changes—which should not be very costly to effect—it will in my opinion be necessary to make experiments with those new types of schools which are doing excellent work in other countries but would, of course, have to be tested and adapted to the needs of this country.

It would, for instance, be highly desirable to have schools in which to give girls what might be termed "an agriculturalised home management course," with a curriculum of the following description :—

(1) The Housewife.

(*a*) Duties of the Housewife, moral, social—principles of domestic economy.
(*b*) Instruction relating to infants and children.
(*c*) Hygiene—care of invalids.
(*d*) The care of the house, furniture, utensils, etc.
(*e*) Feeding the family, comparative value of foods, using the produce of the farm and garden.
(*f*) Cutting out, making, repairing clothes and linen.
(*g*) Washing.
(*h*) "Agriculturalising" the good housewife.

[1] It is noteworthy that in Austria all the 36,000 Poor Law children are boarded out in carefully selected families in carefully chosen villages, and that practically all become workers on the land.

(2) The Woman in Relation to the Farm.
  (*a*) The domestic animals, dairying, rabbits, bees, etc.
  (*b*) Agriculture (a few underlying principles), the soil, manures.

(3) The Housewife and the Garden.

(4) The Country Woman and Society, Institutes, Clubs, Co-operation, etc.

This course is given at so-called Low-grade Instruction Centres which are working in Germany and other countries with excellent results. These courses would review, complement, and give a more directly vocational bearing to the practical work already done in the schools. Girls would attend these courses as soon as possible after leaving the elementary school, possibly in the first winter.

There should also be established a certain number of Farm Schools of a new description which would take children from the age of fourteen on their leaving the elementary school (instead of from the age of sixteen as at present at the existing farm schools) and train them specifically to be agricultural settlers in our Dominions.

* * * * *

There ought indeed to be much closer working relations between education in this country and in our Dominions. In many cases children might be sent on from this or that institution direct to farm or apprenticeship schools in the Dominions. This is a matter of the greatest Imperial and National importance. We cannot develop our lands unless we have people to live upon them and to work them.

We cannot send the right type of citizen to our Dominions unless we have an overflowing agricultural population at home from which to send the surplus to our Dominions.

We have had in the past conferences and enquiries dealing with one or another phase of education, and the information elicited has been most valuable. But to deal with odd parts of a problem still leaves the whole problem unsolved. What we need therefore is a strong official committee appointed to investigate the whole question of education with this special end in view: How best to increase the proportion of the rising generation who will go in for a career on the land?

A Committee appointed by the Board of Education, or by the Board of Agriculture, or even a Joint Committee will not suffice; for the Local Government Board and the Home Office are also both concerned. We need, therefore, a quadruple Joint Committee so that all the Government Departments in any way concerned with education would be brought in. It would be difficult to overestimate the value of the report of such a committee as the one I propose; and as in the school of War the whole nation is acquiring a keener perception of the things that really matter in our national life, we may before over-long have a committee whose recommendations will enable us to establish an educational system worthy of the name.[1]

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There is one other factor in the development of our resources in land to which I must refer, though

[1] Since writing this an inter-departmental committee dealing with one part of the subject has been appointed very much on the lines advocated.

time will not permit me to give more than a brief outline : the labourer and his relations to the land. If we are to have a flourishing agriculture it is clear that we must have workers on the land who are highly skilled, contented, have fair opportunities for advancement, and possess as far as possible a direct interest in the land.

Up to the outbreak of the War the wage of the agricultural labourer in many of our counties was disgracefully low, and his opportunities for betterment few. Seeing that our rural labour population is smaller in proportion than that of any other country, even in Belgium which is more densely populated than England, one might have argued from its being small that it would be in a position to secure fair conditions of life ; but although in some counties the wages are fair, the circumstances of agricultural labourers generally in Great Britain are not satisfactory. And the worst defect in their circumstances is that the vast majority of them have no direct interest in the land.

But if we look at conditions obtaining in other countries we find, for instance, that in Denmark some 70 per cent of the agricultural labourers own a little land, sufficient to give them a feeling of independence and a direct interest in the land of the country. So far from being harmful to the interests of the farmer, the system on the contrary has proved advantageous, for it secures to him a supply of keen and intelligent workers.

Another excellent way of securing the interest of the men is by giving them a share of the profits. This system has been in force for many years on Mr. Edward Strutt's farms and one would like to see it extended.

It is difficult to foresee the effect which the War will have on agricultural labour generally, but it is hard to imagine that the farm labourer now fighting for his country will return to the land in those counties where wages and housing conditions are poor. Low wages do not mean cheap labour. From the national point of view it will be necessary to improve the condition of labour where it is bad; as for the employer, it is a commonplace of economies that high wages mean a larger output and better work, and prove in the end more economical than low wages.

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But there is also the problem of the urban labourer and the land to be considered and the use we might make of him if we chose in finding a solution for the great problem with which we are dealing.

As far back as the reign of Queen Elizabeth it was recognised that workers were entitled to the use of some land so that they might supplement their wages or maintain themselves in times when there was no wage at all.

The same principle of the right possessed by wage-earners of access to the land is expressed in our Poor Law, which decrees that the authorities must provide land for allotments.

But though the principle is established in law, it is as yet far from being established in fact, and from providing our workers with a dual occupation —and society thereby with an economic stabiliser. As usual, we must take a trip abroad for the most convincing proof of this statement.

At Antwerp the greater number of the dock labourers have a garden plot ; and when work at the docks is slack, the men work on their land and produce enough fresh vegetables to last their families all the year round. When work is plentiful and the men engaged at the docks, the garden work is carried on by the wives and children. The Belgians have a system of notifying the dock labourers early in the morning as to whether work will be slack or plentiful.

The moral advantage of using land in this way is equally obvious, for nothing is so harmful to the character of the average man as a period of enforced idleness.

Near Leicester a group of shoemakers have formed a little co-operative land society. They work the land in their spare time, and the results are excellent. But although we have in this country a considerable number of allotments, more or less well cultivated, there is room for great development in this direction so that our land may be made to fulfil its economic and social functions and our working population be made to realise that the land is indeed our greatest national asset in which they themselves have a direct interest.

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Before bringing this lecture to a close, I would like to make a few criticisms on the Report of the Departmental Committee on the settlement of ex-Service men on the land, which has just been published.

The Committee were faced with a difficult task. In the first place, if in view of the attitude of our Government towards land a very much larger and

more comprehensive policy had been put forward there would be great danger of its being turned down. Even as it is, it remains to be seen how whole-heartedly the Government will enter into the execution of the scheme.

In the second place, the Committee have had to build up a settlement policy with very little data to go upon, for as I have shown, up to the present Great Britain has maintained a unique position as the only country that has never concerned itself with land settlement. In spite of these difficulties the Committee have certainly formulated the most comprehensive policy that has yet been put forward officially in this country.

I am glad to acknowledge that in framing this policy they have observed most of the fundamental principles which have led to successful settlement in other countries. It follows, therefore, that if the pioneer colonies recommended are successful the policy will prove capable of infinite expansion.

But the points that I am most apprehensive about are :—

(1) The adequate provision of credit. It is true that the Committee recommend the formation of credit societies, but so did the Small Holdings Act of 1908, and so far nothing has been done in this direction. What the Government ought to do is to establish pioneer credit banks themselves : for credit is the basis and essence of success in food production, as it is in every other business.[1]

[1] The German credit banks lend their members, the small holders and cottagers, every day in the year, over £1,000,000 for the purpose of food production—and this is another of those factors which keep Germany still standing upright when, according to the rules of the game, she should have collapsed long ago under the pressure of our blockade.

(2) I am sorry to find that the really first-class man with little or no capital is still left out in the cold and has little chance of getting land.

(3) The Committee lay far more stress on the importance of good land (which means a high capital value) than is warranted in view of the achievements of Danish and Belgian husbandry on light and poorish soils.

(4) So far no provision has been made for preliminary training on a large scale for those who have not had previous experience in food production ; and I am therefore afraid that many intelligent men will be forced to emigrate to countries where the unexperienced townsman is given better opportunities for equipping himself for a life on the land.

(5) In spite of the fact that the proportion of tenants to owners is already undesirably large, the Departmental Committee recommends a still further increase in the number of tenants. (See page 41, diagram 13.)

They are opposed to ownership on the following grounds :—

(1) They assert that if the occupier of the holding is the owner there exists no means of ensuring husbandlike cultivation or the upkeep of his buildings. But as a matter of common knowledge in Denmark, Scandinavia, Holland nothing can exceed the high state of cultivation of the small farms or the splendid condition of the farm buildings. Apparently the Committee have overlooked three factors that tend to bring about this state of conditions :

(*a*) Public Opinion. (*b*) The Credit Bank—which is not likely to advance money to any man who

cultivates his land slovenly, or even not quite up to the prevailing standard, and leaves his buildings in a bad state of repair. (*c*) The visits of the agricultural organising instructors.

(**2**) They say that if small holdings were created in a given district there would be no means of preventing the small owners from selling out and the land being absorbed once more by the large farm.

But the actual facts are—and there are many examples of this to be found all over England—that the very reverse is the case: for where once small holdings are established in any considerable number that area becomes a small-holdings area and not merely remains so, but continually encroaches upon the adjoining land. Perhaps the best example is the Evesham district, where the market gardens have extended far beyond the original valley.

Further, I should think that in the case of small holdings created by the Government it would be perfectly simple to stipulate that the small holder must obtain permission from the Board of Agriculture before he would be at liberty to sell. This businesslike regulation is in force in several countries and in practice creates apparently no hardship whatever.

(**3**) The Report says that small holdings rarely descend from father to son. That is true in Great Britain, but not in other countries. The reason is not hard to find: the English small farmer has been denied access to capital. If he must borrow he has to resort to mortgage. In other countries he can borrow from his Credit Bank or Society and repay his loan by easy instalments. Further, up to now, owing to bad marketing conditions, want of co-operation and organisation, our small holders have never been

able to make as much out of the land as men on similar holdings on similar land in other countries.

The tenancy system undoubtedly offers certain advantages of mobility—but this can also be an evil, for far too often our men move on to a larger farm when they would be much better off if they were to remain on the small farm and develop it intensively.

To summarise a few of the advantages of ownership :—

(1) Incentive is given to develop the land to the utmost.

(2) The holder is dependent on his own resources and must see to the proper upkeep of his buildings —as every self-respecting man should do.

(3) It calls out the latent energy and saving instinct of the small holder's wife, who will certainly make greater effort if she knows that each year a larger proportion of the holding becomes her " children's very own."

But as I have said before, there is the striking fact to be explained away by the supporters of tenancy that in all countries where the agricultural development is great it has been achieved under a system of ownership. Further, there are at least two instances in our own Dominions where the settlers who were tenants promptly became owners when the chance was offered to them. In Australia there existed originally a system of long leasehold, but when the leaseholders were given the option of purchase, most of them took advantage of it. Again, in South Africa, after the Boer War, both the leasehold and the ownership systems were in force, but all settlers adopted the latter.

The chief point, however, to remember, is that whether the tenure be ownership or tenancy, neither can be quite successful as far as small holdings are concerned unless there is access to capital. Access to capital granted from the very outset is the key to success.

* * * * *

Having made these criticisms, let me say that the Committee have devised a scheme which is eminently workable if the Government choose to work it. They must realise that this is a task of the greatest national importance. I notice the Committee's suggestion that the Board of Agriculture should be the chief administrative authority for the work, but constituted as at present I am afraid that the Board of Agriculture is not capable of carrying out a great scheme of land settlement. The personnel of the Board should be greatly strengthened, or, preferably, a Land Settlement Sub-Department created, which should include all those who have made a special study of the subject and have had actual experience in land settlement.

The land must be made to play its full part in giving employment to men if we are to avoid congested labour markets; and we must develop its full potential of productive power if we are to recuperate quickly from the effects of this war. These are two points of transcending importance upon which the whole country must concentrate its attention—and particularly the working men in our towns.

THE FUTURE—AN ORGANISED AGRICULTURAL INDUSTRY

I CANNOT say how glad I am to have had the opportunity of giving these lectures before the London School of Economics. If the nation is to be stirred to a realisation of the importance of agriculture as a national industry; if politicians and the Government are to be forced to give agriculture that attention and consideration which it demands as our primary and still largest industry, these results will be largely achieved by the teachings of economists. I am convinced that in this work the London School of Economics, with its wider conception of national economy, will play a very important part.

Our charge against the old school of Economists, and the politicians who take from them their opinions ready-made, is that they set forth what they deemed to be economic truth, while in reality it is only a part of the truth. Their views are too academic, and they ignore the human element. They fail to realise that sound social conditions and a high standard of physique are factors of vital importance in the well-being of the nation.

They were bound hand and foot in the tangle of doctrines of the *laisser faire* school and the tyrannies of party politics. In this fettered condition, and with their narrow view-point, they studied not the great economic forces at work but certain phenomena which were the results of these economic forces.

There they evolved laws and principles of their own which the War is now laying bare to an ever-increasing circle as being utterly at variance with the economic truth.

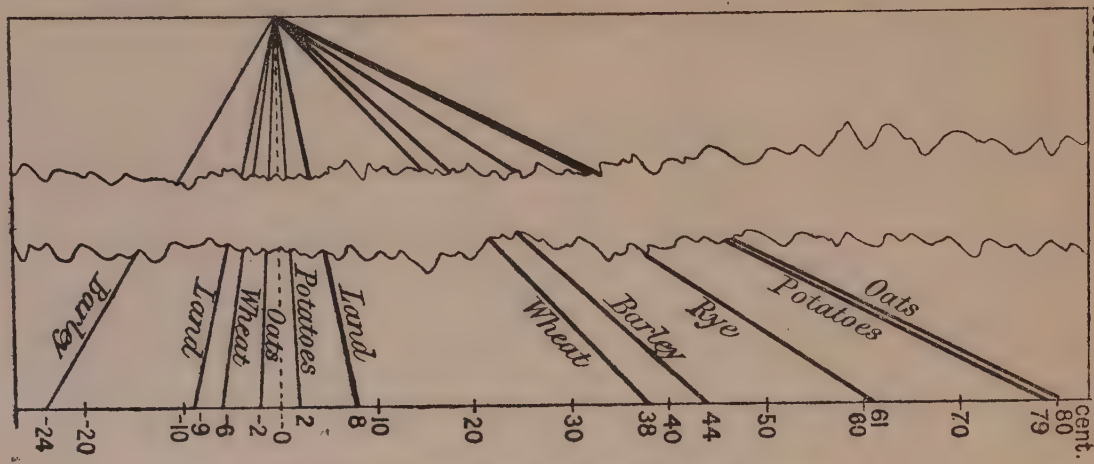
The development of the social organism is dependent for its direction and ratio in the ultimate resort upon its outlook. This outlook is created in a democratic country by the men who have the ears of the nation. The danger of the situation lies in the fact that once certain forces are set into motion, they are beyond recall; and it will take generations, or the cyclonic force of a War, to create a new and truer outlook and new forces for correcting past mistakes and reverting to the true course of our national development.

It is only with bated breath, as the Premier of Australia told us only a few days ago,[1] that we dare think of the perils we have barely escaped—perils we incurred because the teaching of this school of false economists had brought about a radical change in the entire outlook of the people. They were made to forget that agriculture is our primary and fundamental industry, both as a producer of food for the citizen and of the flesh and blood which cities, cannibal-like, must feed upon or die. They were taught that the only thing that mattered was to manufacture goods for the world market, that England was predestined to become the workshop of the world and to live, parasitically, upon food principally drawn from other countries.

These Economists never realised that agriculture is the mother of all industries, and never saw that even then under their very eyes the new science of modern husbandry was laying the foundations

[1] This lecture was delivered in March.

No. 23. Diagram showing the Percentage Increase or Decrease in the Area of Arable Land and its Yield in the United Kingdom and Germany during the twenty years 1893–1913. (*Board of Trade Statistics*, 1914.)



Black lines—Germany. Thin lines—United Kingdom.

of new vast industries, and teaching farmers to tap enormous new markets by extracting carbon, oxygen, and hydrogen from the atmosphere, and to go into partnership with industry and commerce to convert these into substances—starch, glucose, dextrine, spirit, sugar and a score of other commodities sought after by the world market. Even now, at any rate right up to the beginning of the War, this school of pseudo-economists was teaching the nation that it was good business for us to exchange our coal—*taken from an ever-diminishing store*—for an equal value, i.e. of German sugar—made from raw material which by means of chlorophyll and sunlight is *obtained from the atmosphere in illimitable quantities.*

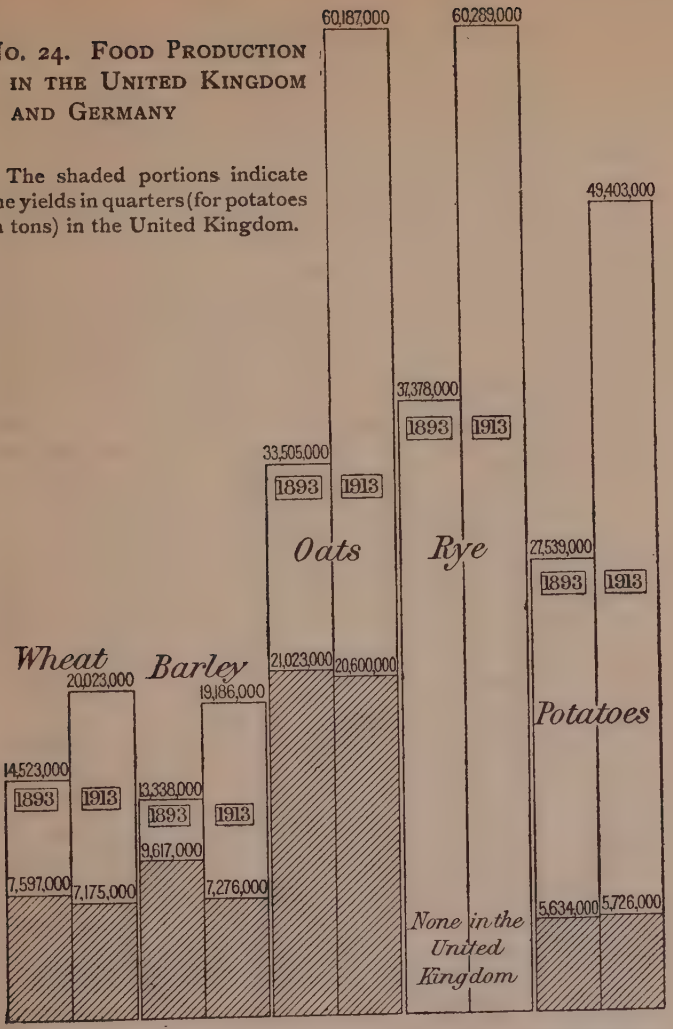
* * * * *

In all countries excepting our own, from little Belgium to Russia with her vast territories, a clearer perception of the eternal economic forces led to the development of the industry of food production along the lines of qualitative efficiency and the industrialisation of agriculture.

In Belgium and in Germany the amazing progress made in food production took place side by side with an equally amazing industrial development. Indeed, in the logical development of agriculture—which means the production of optimum crops both of food and raw materials for industries—we find that a stage is soon reached where agriculture and manufactures are linked together at a hundred points. I need only remind you, by way of a particularly annoying example, that over a hundred of our home industries depended for the making of their profits to a greater or lesser degree upon the potato grown in Germany.

No. 24. Food Production in the United Kingdom and Germany

The shaded portions indicate the yields in quarters (for potatoes in tons) in the United Kingdom.

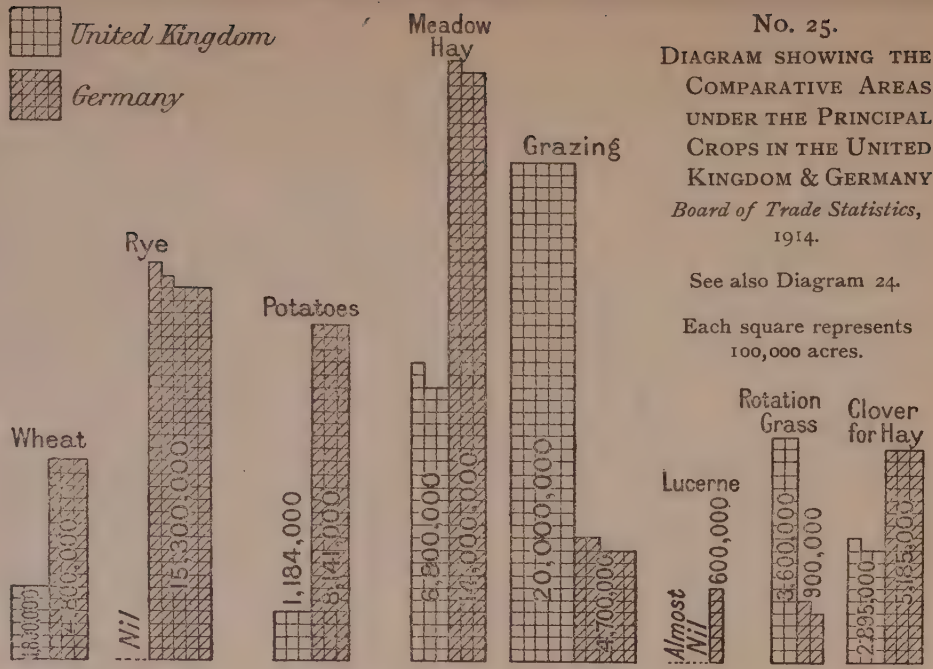


The story of the decline in agriculture in the United Kingdom during the twenty years between 1893 and 1913 is only relieved by a slight increase in the yield of potatoes. On the other hand, the enormous increase obtained in Germany in the yield of the main crops for human consumption prove what can be done even on inferior soil under an enlightened Land Policy.

The linking up of agriculture with industries, due to its logical development as the primary source of all new wealth, leads with equal logic to a set of conditions of the utmost importance to the further harmonious development of both: the best brains, influx of fresh capital, bold yet cautious and far-seeing enterprise are no longer, as they are still with us, the monopoly of other industries, for the reason that modern scientific husbandry and industrialised agriculture have wiped out the harsh dividing line which still stands like a forbidding Chinese wall between the two in England.

While our agriculture shows a tendency to decline, on the Continent it has been developing all along the line; for science, practice and commerce have formed a triple entente whose progress is irresistible. That is the reason why Belgium on poorer soil than ours produces five times our average per acre, and also why Germany says she is confident of escaping the strangle-hold of our blockade. In Germany the ideal of public opinion instructed in the true laws of national production and housekeeping was to become entirely independent of all foreign supplies of human and animal food, because her people recognised the fundamental truth, to which I alluded before, that the soil in the hands of the modern farmer is an inexhaustible mine of wealth. And her farmers accepted readily the dictum of the scientists that there is no known limit to the yield of the soil if it is worked under the most favourable conditions.

To obtain the optimum crop became an object of equal importance and interest to farmers, commerce and the State. Hence we see the Distillers'



No. 25.

DIAGRAM SHOWING THE COMPARATIVE AREAS UNDER THE PRINCIPAL CROPS IN THE UNITED KINGDOM & GERMANY

Board of Trade Statistics, 1914.

See also Diagram 24.

Each square represents 100,000 acres.

This diagram might be described as a key to the position indicated by Diagram 23. Columns 4 and 5 (Meadow Hay and Grazing) are especially instructive.

Union of Germany conducting experiments in the breeding of a potato which will produce at the smallest cost the largest amount of available starch per acre, and the sugar refiners subsidising scores of farmers and Institutes in making experiments in raising the sugar percentage of the beet.

And while one set of scientists is working at raising the output, and the farmer is equipping himself to make the best possible use of their discoveries, another set of scientists is working to discover new outlets and new markets. As food is a form of wealth, says scientific husbandry, for which there is an unsatisfied and ever-growing demand, the world cannot have too much of it; and so-called gluts simply prove that in certain quarters we have not yet learned to take care of this wealth by instituting a sound system of distribution or disposal, or by calling in the scientist to suspend the law of decay.

It is not very many years ago that Denmark was threatened by a deluge of separated milk—a by-product in her dairy industry which was working overtime for the English market. Then scientific husbandry ordained: Turn it into bacon and sell it to England along with the butter. And so it was done.

In Germany there used to be much searching of hearts because a certain percentage of potatoes *would* rot. Then some society offered a handsome prize for the best type of potato-drying machine, and the result has been the saving of millions of pounds' worth of food which otherwise would have been destroyed by our enemies among the fungi.

Now let us compare with this the state of affairs in England. When the depression came, not one economist raised his voice to tell the country and

the farmers that the way to combat the unfavourable economic conditions which had sprung up, was to create a stronger set of favourable conditions; not to reduce efficiency, but to increase efficiency, and so to obtain greater yields.

Left to themselves the farmers did the obvious: the largest recurring expense was the weekly wage bill, and so they cut it down, and with it the output. That is to say, not only did we fail to maintain our existing degree of qualitative efficiency such as it was, but adopted, or rather drifted, for the want of guidance by true national economists, into a system of quantitative efficiency—the system followed by the wheat kings, the cattle kings, the sheep millionaires of Western America, the Argentine, Australia.

In sixty years over 4,000,000 acres of our land have gone back to grass. And the most disquieting factor is that while the nations with vast territories of comparatively cheap land are accepting the principle of qualitative efficiency and pass laws to establish closer settlement and a great system of agricultural education for all, in this country where land is limited, the process of arable land reverting to grass is still going on.

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The false outlook created in the nation by a wrongly conceived system of national economy produced a whole crop of adverse conditions.

At the bottom we have the labourer, poorly paid, poorly housed, poorly fed, and without prospects of improving his condition, but generally taking care, by sending his children to the town, that they at least shall have a better chance of life than has been his lot. At the top is the far too common case

of the landowner who does not regard himself as co-trustee of the source of national wealth and health, but treats his estate as an amenity. And between the two stands the farmer, whose system of quantitative efficiency is well calculated to yield him the largest possible income for the least amount of capital invested and the smallest amount of supervision, but in a densely populated country like ours is directly opposed to national interests.

The student of all the factors that go to make up this great problem with which we are dealing will be unable to escape the conclusion that in the last resort our agriculture as at present carried on is anti-national. But the fault lies at the door of the pseudo-economists on whose advice our farming industry was jettisoned, and left to save itself if it could. If agriculture in those years was not quite ruined, it is because the farmers chose methods of production in which they would have a chance of holding their own against foreign competition let in by the urban population in search of cheap food at all hazards.

For years we have not had a national policy, but have followed a procedure dictated by the narrow urban outlook. In regard to food supply the cry was to have cheap food regardless of where it came from—whether it came from countries with which we might one day be at war, or over routes which might one day be closed by an enemy. We have paid a high price for our cheap food.

Possibly—and this is a subject our working-men would do well to ponder—for the moment the object of the urban manufacturer was achieved of having an over-supply of labour drawn from an overcrowded population in the town, so cheaply

fed that he could keep his labour bill down to the minimum, but what has been the cost to the nation of that mania for cheap food ?

Between the years 1875 and 1895, the capital of the agricultural industry was reduced by £830,000,000, our rural population was depleted, our towns became so overcrowded as to constitute a menace to the national physique. Further, hundreds of thousands of men were lost to the United Kingdom and the Empire through emigration, and this during a time when in organised countries, by means of a wise policy of land development, the rural population was not only increasing, but its standard of comfort was improving.

If we could translate these losses into terms of pounds, shillings and pence, we should find that nothing in the World's history was ever more chimerical than the popular belief that the nation was obtaining cheap food. As a matter of fact, it was the dearest food supply ever bought by any nation, since the days of ancient Rome.

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The War is teaching us, swift and sure and sharp, that this is not merely a conflict between the Free Trade and Protectionist Schools. It is something far bigger: we have to find a New Outlook which will ensure the safety of the country and the stability of the Empire.

Let the urban dwellers realise that their own well-being and the rural well-being are interdependent. Let them ask themselves if they would not feel safer if we drew our main supply of food from sources over which we have complete control. Let them ask themselves—selfishly if you will—if it would

not be to their own good were the land to give employment to its full complement of workers; and to the physical benefit of our race to have a larger proportion of our people born and brought up in the country. Let them ask themselves if it would not be to their advantage to see produced within the United Kingdom another hundred, another two hundred million pounds' worth of foodstuffs to be exchanged for an equivalent amount of home-manufactured goods. And having answered these questions according to the dictates of common sense, let them demand that a scientific investigation into the possibilities of home production be made forthwith.

This enquiry is urgently needed. The opinions held by the different sections of the industry represent every shade of thought. At one end there is the opinion of those who will tell us that we are better farmers than the farmers of other countries "are, were, or ever will be," and that we are doing as well as can be expected.

At the other end there is the view held by many careful students of things agricultural at home and abroad—that if agriculture and the nation went into partnership (as they did abroad) we might in time hope to get out of the soil *not quite half* of what the Belgians are getting out of their soil, many square miles of which by the way were drift sand and morass two generations ago.

It seems a very modest ambition, but expressed in terms of home production it would mean the doubling of our present output of £4 per acre, or adding every year another £200,000,000 to our national wealth.

That we can produce *more* is not seriously disputed

by anyone except the people who are perfectly satisfied with things as they are. We certainly look as if we intended to produce *much* more, for there is an enormous machinery running with the object of raising our annual output : the Board of Agriculture, a large number of agricultural colleges and experiment stations, farm schools, agricultural organisers, farming papers, a huge literature, schemes for improving the breeds of cows with a high milk yield, of pigs, poultry, and even a feeble attempt to provide the small producer with credit by means of village credit banks. In addition the scientist is ever at work to discover means for the destruction of plant, fungus and insect pests, and so reduce the loss caused by them ; and the engineer is for ever planning to improve still further existing farming machinery and implements.

Yet, in spite of it all there is no increase, but rather a decline in our output. The reason is, as I have shown, our narrow and cramped outlook. It is true that the nation's uneasy conscience or its groping instinct has given us many agencies for improving the conditions of agriculture, but each agency is tinkering away at its own little problems without producing the least effect, as our annual statistics prove, upon the main problem, which is : How to put the entire farming industry, production, distribution, and the supply of adequate working capital, upon a sound business basis.

Our industry of food production, it will be agreed, is a privileged industry. It stands in a class by itself because it is our one vital industry. Food is the one essential of life—and the main essential of War. That is why it is imperative for us to find out at once where we stand. We must know how much

food each county in the United Kingdom is producing *now;* what resources there are in each county for producing more; and how to use these resources to the utmost extent.

This is clearly a subject for searching and exhaustive enquiry to be made by a committee of experts and statesmen. I would wish—for "it is wise to learn from the enemy"—to see this enquiry conducted in the spirit of the German enquiry which a large number of her leading scientists conducted into the ability of Germany's industry of food production to defeat the objects of our blockade. From the standpoint of scientific investigation it is a wonderful book. And I would also wish that we were able to mix with the calm scientific reasoning of this German work some of the spirit of the U.S.A. Census of Production report which I would like to call a report with a soul. I will quote a few sentences:—

"Most prosperous of all years is the place to which 1909 is entitled in Agriculture. The value of farm products was £1,752,000,000, a gain of £173,800,000 over the preceding year."

"The sum is one that challenges the American imagination; these virtually nine billion dollars penetrate into every form of commerce, art, industry, society."

"It is their fructifying magic that bulges bank balances, that makes possible daring exploits in the realms of development and general expansion."

"It is their influence that supports the money markets of the country, that keeps international trade on the right side of the ledger, that largely provides employment for millions of factory operatives, and an army of domestic and foreign salesmen."

"In the case of cotton, the agricultural product of a single section lays tribute upon farthest civilisation and heathendom."

"It is the motive power that drives hundreds of wheels in England."

It is such a scientific enquiry, such enthusiasm, such faith in the possibilities of the land, which is wanted here, and if we succeeded in producing such a report we should then take the first step towards the great national and imperial land policy the thoughts of which are now slowly crystallising throughout the Empire.

* * * * *

In this lecture I want to draw a picture of what the organisation of agriculture in the United Kingdom might be, and what results would accrue from such an organisation. Then I shall deal with the question of the future development of land from the Imperial point of view.

First of all, as concerns the United Kingdom: I have shown how the agricultural population has been decreasing, and further how the yield of the land, in spite of all the modern discoveries which Science has put at the disposal of the cultivator, instead of increasing rapidly, has tended persistently to decrease.

Our land resources are being wasted. There are areas which might be cultivated, and which are not cultivated, but this side is not of great importance. By far the most important fact is that the cultivated land is not being put to its fullest use, that the proportion of grass is too high, higher than in any other country in the world. Yet it is arable land that gives employment to the largest number of people, so that from the social point of view, if

our land is to employ the number of people it should, the area of arable will have to be largely increased. Again, I have shown that arable land yields more food for human being than grass land: this is the second argument in favour of increasing the area of arable land.

Piecemeal legislation will be disastrous; for the danger is that while it benefits one branch of an industry it may do harm to other branches. Piecemeal legislation spells artificial encouragement for this or that branch of an industry, and everything artificial is evil. The only sound course to follow is to create conditions favourable to agriculture as a whole and then to leave that industry to develop naturally and along its own lines.

What then is needed?

First: there must be a Royal Commission to conduct an agricultural stocktaking and to examine the possibilities of home production.

Secondly: the Government must follow the example of the Governments in other civilised countries and adopt a complete and comprehensive Land Policy.

Thirdly: there must be the full organisation of the agricultural industry. This would come under two heads:

(*a*) The Official—the reorganisation of the administrative side under the Board of Agriculture.

(*b*) The Unofficial—the full development of a system of voluntary organisation.

Fourthly: a larger proportion of the rising generation must be induced to go in for a career on the land, and also as large a number as possible of our ex-Service men must be induced to settle on the land. I have already pointed out that the total white agricultural population of our Empire

is only 13,400,000. It is clear that if our land resources are to be at all adequately developed, we must have more cultivators of the soil.

I shall deal first with the question of the unofficial or semi-official organisation.

At the present moment there is no all-embracing organisation of agriculturalists, such as exists in other countries. We have our Royal Agricultural Society, which exists chiefly to hold agricultural

No. 26. Land and Labour

The number of persons engaged on 1000 acres of arable land is 83, as against 16 employed on 1000 acres of pasture.

shows. We have our Chambers of Agriculture and our National Farmers' Union, both doing excellent work in their own spheres. But in the main they are representatives of the large farmers and not of the small. Altogether it is doubtful if more than 50,000 farmers all told belong to these societies—the remainder are unattached to any society. Yet it is essential that all our farmers, or at all events by far the larger majority of them, should belong to a great voluntary organisation. Only by this means can agricultural opinion as a whole find expression ; only by this means can the agricultural interests hope to receive due consideration in the Councils of the Nation.

The following is a sketch of a suggested organisation :—

First the base : The *Local Agricultural Council.* One to be formed in every parish or group of parishes and to be composed of farmers, small holders and one or two representatives of the labourers.

The second step would be the *District Agricultural Council,* to be composed of delegates, one from each Local Agricultural Council, and in addition some co-opted members. One of its first functions would be to control the local markets.

Third : The *County Agricultural Society,* to be composed of delegates one from each District Agricultural Council, six Representative Members, and, say, six co-opted members.

The Board of Agriculture should have a representative in every county (instead of having one for a group of counties), and this County representative would have a seat on this Council. Besides having initiative and executive powers, this Council would act as advisory to the County Representative of the Board, and thus afford the main connecting-link between the Official and the Unofficial Organisation. Further, this would be the means of keeping the Board of Agriculture in touch with the country and of decentralising the Board to a very considerable extent.

Fourth : *The Central Agricultural Council*—the real Parliament of Agriculture, constituted as follows :—Fifty-two delegates, one from each County Agricultural Council ; a certain number of Representative Members ; and some co-opted members.

This body would meet in London, say, four times a year—more often if necessary.

Finally : *The Executive Council* (the "Agricultural Cabinet").

This should be composed of not more than twenty members.

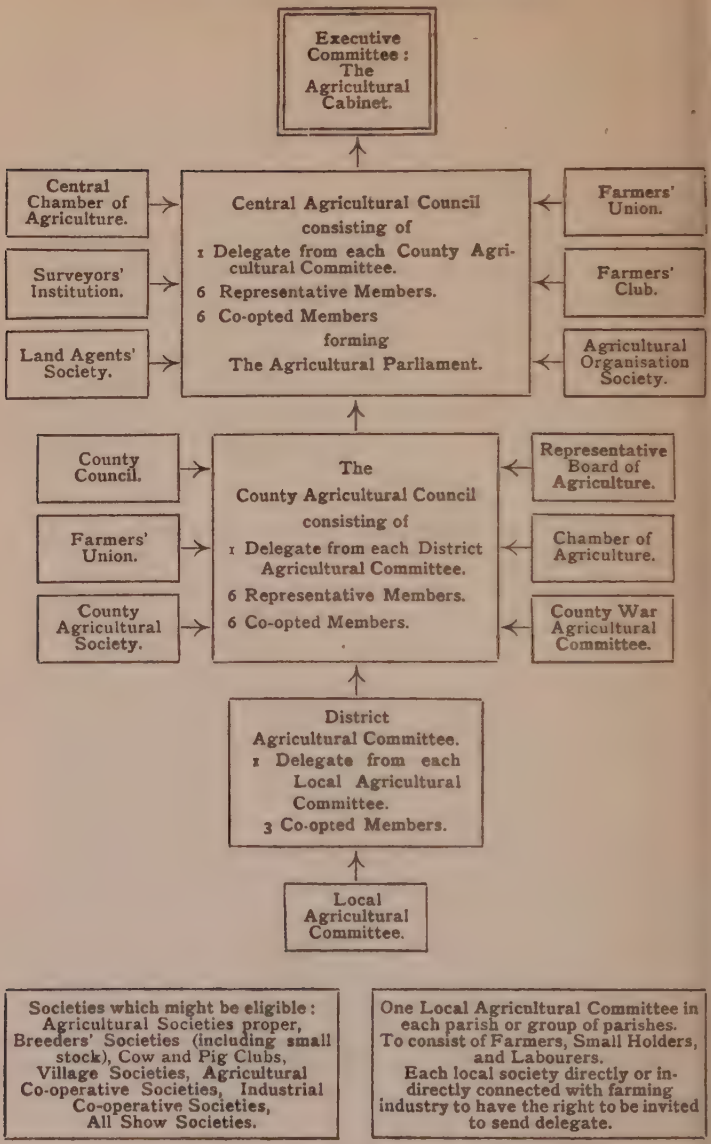
The need for such an Executive is great. It would in the first place voice agricultural opinion as a whole. It would be able to take prompt action when the interests of agriculture demanded it. At present the existing agricultural bodies cannot move quickly enough; as a rule, they criticise proposed legislation after it is introduced, whereas it should be an understood arrangement that no legislation affecting agriculture should be introduced in the Imperial Parliament until it had first been submitted to and discussed with this Council. Such arrangement has long existed in Germany and Denmark. But the principle is by no means new here, for it is becoming more and more the practice of our own Government to consult the County Council Association before bringing in legislation affecting County Councils.

I am submitting this constructive scheme simply for the sake of putting forward something concrete, as one is apt to weary of negative criticism, but it does not pretend to be in any way complete.

As the creation of a voluntary system of organisation naturally takes time, it will be most important to see that the development of the official administrative organisation is undertaken without delay.

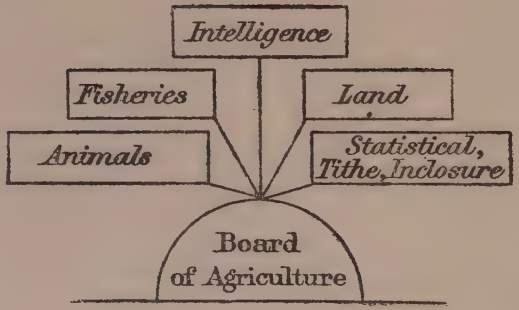
This Official Organisation is, of course, the Board of Agriculture. When we have a reorganised and an enlarged and a financially stronger Board whose work in its own sphere will be supplemented by a carefully developed system of unofficial voluntary organisation, then we shall see administrative machinery capable of developing our agricultural industry to the full. Again, I resort to a diagram to show a suggested reorganisation of the Board of Agriculture.

No. 27. Diagram showing the Proposed Organisation of Agriculture

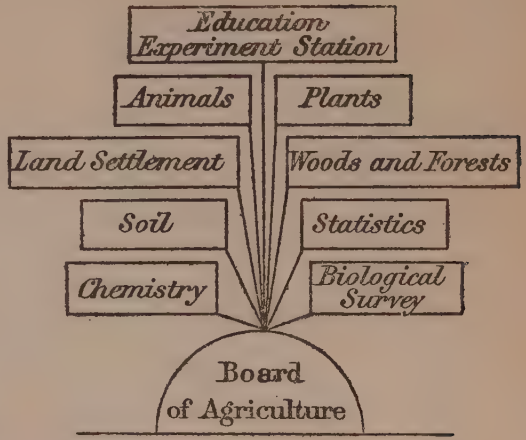

Executive Committee: The Agricultural Cabinet.
Central Chamber of Agriculture.
Surveyors' Institution.
Land Agents' Society.
Central Agricultural Council consisting of
1 Delegate from each County Agricultural Committee.
6 Representative Members.
6 Co-opted Members
forming
The Agricultural Parliament.
Farmers' Union.
Farmers' Club.
Agricultural Organisation Society.
County Council.
Farmers' Union.
County Agricultural Society.
The County Agricultural Council consisting of
1 Delegate from each District Agricultural Committee.
6 Representative Members.
6 Co-opted Members.
Representative Board of Agriculture.
Chamber of Agriculture.
County War Agricultural Committee.
District Agricultural Committee.
1 Delegate from each Local Agricultural Committee.
3 Co-opted Members.
Local Agricultural Committee.
Societies which might be eligible: Agricultural Societies proper, Breeders' Societies (including small stock), Cow and Pig Clubs, Village Societies, Agricultural Co-operative Societies, Industrial Co-operative Societies, All Show Societies.
One Local Agricultural Committee in each parish or group of parishes. To consist of Farmers, Small Holders, and Labourers. Each local society directly or indirectly connected with farming industry to have the right to be invited to send delegate.

No. 28. The Board of Agriculture

AS IT IS



AS IT SHOULD BE



It is only in recent years that our Board of Agriculture has been voted an income of even £500,000 a year, and on the whole it is astonishing how much they succeed in doing with this sum—which, by the way, is less than half of what the French Board of Agriculture receives.

A really efficient Board of Agriculture is the first essential, but no matter how excellent the Central Department may be it must not remain a Central Department only. It must be in close touch with agriculturalists throughout the country and have their complete confidence, and this would be secured by the official and unofficial organisations working harmoniously together.

Once the Board of Agriculture is reorganised and a perfect system of administration for agriculture devised, the Government should turn its attention to the creation of conditions favourable to agriculture as a whole, weaving into a comprehensive whole the following measures essential to secure agricultural conditions :—

(1) The organisation of markets. The dissemination of reliable and up-to-date price lists and information in regard to the supply and demand in the different markets.

In all this range of work the Agricultural Organisation Society has the requisite knowledge and is admirably fitted to play the leading rôle, but it would have to be very much enlarged and strengthened and receive a great deal more Government support than it does at present.

(2) The development of co-operation. For this purpose the Agricultural Organisation Society

again should be the chief instrument used by the Government.

(3) The provision of Credit Banks and Societies, and access to capital generally.

(4) Education : This must be made more practical if it is to meet the needs of the times.

(5) The present conditions of transport for agricultural produce must be improved and the construction of light railways encouraged as has been done in Belgium.

(6) Better wages for agricultural labourers : " Socially and economically the labourer is the root of the agricultural problem. It is characteristic of agriculture, distinguishing it from other industries, that the individual worker plays a more important part in its economy. It is common to talk of agricultural labourers as unskilled. In truth, a good agricultural labourer—who, owing to the present trend of agricultural development and the consequent emigration, is to-day much rarer than he ought to be—is essentially a skilled workman. In many counties the great majority of labourers are ill-educated and ill-fed, and consequently inefficient both mentally and physically." In these counties it is absolutely essential that the rate of wage should be higher, and if there is no other way of effecting it, then some form of wages board will have to be resorted to.

(7) The reconstruction of Village Life. The necessity for offering the labourer an opportunity of acquiring an interest in the land, and thereby increasing his earnings, is of equal importance with a direct increase in wages. Such opportunities will create for the labourer a future on the land,

and supply a stepping-stone to the acquisition of larger interests, and they will check the tide of emigration which to-day runs highest in those very districts where the wages paid are sufficient to enable men to save money, while the lack of opportunities to get on encourage them to emigrate to countries where land is easily obtained. Anyone acquainted with the present conditions of life in an ordinary English village knows how unsatisfactory and disorganised they are. However much a man may save, there are no opportunities for employing his savings in the village itself, and a labourer cannot be blamed if he decides that so far as he is able he will send his children away to save them from the blind-alley existence which he has led himself.

(8) Housing: There is no doubt that a large number of young men leave the country because they cannot find a decent house to live in, when they wish to marry. Various Housing Acts have been passed which probably cover the ground pretty well, and it only remains for them to be put into force as soon as the time is propitious.

(9) Land Purchase: The proposal that tenants for life should be entitled to retain, say, 20 or 15 per cent of the purchase money of settled land, deserves consideration. If such an arrangement were made it should be understood that the money so retained by the Life Tenant should be devoted to the development of the remaining portions of his Estate. This procedure has had excellent results in Denmark.

The facilities for the acquisition of land should not be confined to small holders. There have

been considerable sales of land in recent years and the process is likely to continue. The principle of Mr. Jesse Collings' Bill should be adopted, under which the State is empowered to advance the whole of the purchase money, such advances being repaid by annual instalments of principal and interest.

(**10**) Land Transfer: The transfer of land should be facilitated by an effective method of Land Regulation.

(**11**) To revise the whole basis of local taxation and secure justice to the farmer. If the farmer is assessed fairly, and at the same rate as other people, then it would be perfectly fair to require him to pay income tax. Indeed, this would be most desirable, for if farmers were compelled to pay income tax under Schedule D, they would be forced to keep better accounts than the greater majority keep at present.

(**12**) The encouragement of subsidiary industries beneficial to agriculture—fruit preserving, vegetable and potato drying, jam making, creameries and bacon factories, the manufacture of beet sugar, of starch, and especially the distilling of alcohol for commercial use, an industry of the greatest possibilities which so far our existing heavy duties on alcohol have prevented from establishing itself.

If these conditions favourable to agriculture are created; if we have developed and organised official machinery for dealing with the agricultural industry; and if we have better unofficial organisation voluntary Societies—what may we look forward to in the way of results?

(1) The agricultural population will begin to increase and the land will play its full share

in giving healthy employment to a far larger number of men.

(2) The physical standard of the nation will be maintained and social solidarity secured.

(3) There will be greatly increased production from the land.

(4) As a corollary the Nation will be in a much more secure position from the point of view of defence.

These results will be to the greatest benefit of the nation in every direction. They are results that the bulk of the nation which is now beginning to realise that our land is under-developed will wish, nay, will insist, upon being obtained. And if the large farmers of the country and the landowners do not co-operate in achieving these objects, I can foresee an evil day for them. The nation will not be in a mood to brook obstruction, and if it would appear that under our present land system we cannot hope for such development, then the present land system will have to go.

* * * * *

Now to turn to the Imperial side of the question. Some people may say that the development I advocate may be admirably suited to the needs of the United Kingdom, but will be harmful to our Dominions. I can only reply that I have discussed the matter with many of our leading colonists and I have never once heard that view put forward. A leading Canadian Statesman once said to a friend of mine that he considered England's dependence on sea-borne wheat as the weakest spot in Imperial

defence, and that if England could grow all the wheat she required it was certainly her paramount duty to grow it.

But these people who fear that a constructive policy such as I have outlined would work unfairly to our Dominions have shown themselves strangely indifferent to the sources from which our supplies of food have come in the past.

They have not protested although we have bought millions of pounds' worth of food from foreign countries which might have been purchased within the Empire! But even if we could—and did—produce another £200,000,000 worth of food within the United Kingdom it could be done without injury to our Dominions if our sources of supply were properly readjusted.

Of the £200,000,000 worth or so of food which we import, £56,000,000 come from our Dominions.

We further import: Products of the soil other than food for human beings, £170,000,000.

Of this £113,000,000 worth come from foreign countries, yet all this vast amount of produce could come from within the Empire itself. Imperial interchange would therefore not only *not* suffer by our producing the extra £200,000,000 worth of food in the United Kingdom, but it would gain, and the Empire, because self-supporting and self-sufficing, would be immeasurably stronger.

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Again, if we organise the flow of population as it should be organised, if we devote our spare capital to developing our Dominions instead of developing foreign countries, our Dominions will

become more and more self-supporting in regard to manufactures; and their increasing population will consume an ever increasing amount of food. There is no doubt in my mind that if such a policy is adopted, and sensibly and energetically carried out, it will be of incalculable service in the consolidation and development of our Empire.

We have in our Overseas Dominions vast areas of unpeopled land. This is a serious weakness from the point of view of Defence. If we cannot devise a means of settling these areas with English-speaking cultivators they will ere long be settled by aliens—to the lasting injury of our Empire.

In the past our Dominions have had their Emigration Agencies here at work, each trying to induce as large a number of men as possible to emigrate. In the earlier days the conditions of settlement were not very favourable to these emigrants, and many of them were forced to lead isolated and unprosperous lives, but of late years the Overseas Governments have been making their land settlement scheme more and more attractive and they are for ever improving the conditions.

The type of citizen that they all want is the tiller of the soil. But the Dominion Governments themselves are now beginning to realise that as our agricultural population is so seriously depleted they will not be able to continue to get agriculturalists from this country unless we first rebuild our agricultural population at home; and their representatives are anxious that the Home Government should do all in its power to further the growth of its agricultural population. Further, there is no doubt that since the outbreak of war

the Dominion Governments have been giving much thought to the need for concerted action in regard to emigration.

Of this the findings of the Ontario Commission are a clear indication. The Commissioners recognise that the true interests of the whole and the component parts are indissoluble, and for this reason urge a common Imperial policy for making provision for ex-soldiers. To discharge the Empire's obligation to these men, and in order to obviate what may prove a grave economic and social crisis, they suggest that for the general purposes of inter-Imperial migration and land settlement the United Kingdom and the Dominions should be viewed as a single whole. It should be possible, they think, effectively to unite Imperial and Dominion Governments in a policy which will keep migration more and more within the Empire, check the drain of population to foreign countries, and so conserve British manhood for the development of British territory and for the support and defence of British institutions against future contingencies. Finally, the Commissioners recommend that an Imperial Migration Board be organised in London, representing the British Government, the Governments of the Dominions, and such provinces and states as desire to be represented, the cost to be borne jointly by all Governments concerned; and that the Board be responsible for the distribution of information regarding opportunities in the Dominions, labour conditions, and cost of transport.

There are certain portions of our Empire which from the point of view of defence are more in need of population than other portions, and these should receive the first attention in regard to settlement.

The feeling of loyalty to the Empire as a whole is, I am convinced, sufficiently strong to allow of a bold policy being initiated. In fact, if such a policy is not initiated the danger to the Empire will be great. Every component part of it will be suffering from the effects of the war, and it is only by working together on a carefully thought-out policy that there can be any hope of the Empire recuperating quickly from the effects of this disastrous war.

But unfortunately the great obstacle in the way of a new policy is a fear on the part of the Imperial Government that the Dominion Governments would object to interference ; and on the other hand a feeling on the part of the Dominion Governments that the Imperial Government would not receive favourably suggestions from outside sources. And yet the flow of population can only be guided, and the development of the land of the Empire can only be achieved if a clear understanding between all the Governments concerned is arrived at, and carefully thought-out procedure replaces the present existing chaotic conditions. As a first step, an inter-Governmental Conference on Land Settlement is needed. A conference is only temporary in character, but its work should be to create administrative machinery that would be lasting.

* * * * *

I have shown that for the development of any great system of land settlement within the United Kingdom efficient and sufficient central machinery must be created, but Land Settlement within the United Kingdom should not be kept entirely separate from Land Settlement in other parts of

the Empire. The first duty of a Land Settlement Department of the United Kingdom would naturally be to see that a fair and necessary proportion of settlers were secured for ourselves. But as this is also a question of utmost importance to our Dominions as well as to ourselves, we should find a Government Imperial not merely in name but in very deed guiding the flow of people to our Dominions as an essential to the welfare of the whole Empire; and the Dominion Governments concurring in the building up of the agricultural population in the United Kingdom, as the source of their own future supply of food producers.

Was ever argument more strong in favour of concerted action? The time has come for a great Imperial Development and Conservation Department—resident in London and including representatives of the Dominions. We shall of course hear permanent officials and certain politicians raise great objection to the creation of a new department, on the grounds that there is "no need for it"—for, as far as the mind of the permanent official is concerned, times do not change and new needs do not arise, even in a vast Empire such as ours, with its ever increasing needs. But I doubt whether this attitude of the superior mind which has created administrative machinery so perfect as to suffice for all time will prevail greatly with the people—after their experience during the last two years of official forethought and efficiency.

Already there is a growing opinion that there should be a new Ministry of Commerce to deal with the development of our Commerce, as the Board of Trade is no longer considered adequate. This is a proposition which, as it affects urban industry,

is probably more easy of attainment than one which would benefit the agricultural industry of the Empire, and yet in my mind there is a far clearer case for the creation of a Development and Conservation Board than there is for a Ministry of Commerce. This Conservation Board would deal with Land Settlement from the Imperial point of view, and decide which portions of the Empire stood in most need of development; and sufficiently attractive offers in the way of grants for passage money and other purposes should be given to induce people to settle first of all in those areas.

* * * * *

Another great duty of this Board would be to use its utmost endeavour to prevent any British citizen from settling outside the British Empire. It would further co-ordinate the work of all existing emigration societies and probably finally supersede them. The present irresponsible action of certain societies would be checked, and the luring away of adult agriculturalists whom we cannot spare would cease.

The issues at stake are so serious—being nothing less than the consolidation and maintenance of the Empire itself—that everyone who realises this should use every effort to help in developing a strong public opinion and so to force the Imperial Government to take up the matter. Unfortunately, it has ever been one of the chief characteristics of English Governments to drift, and even here it seems they would much rather drift than give serious thought to such a vital problem as this.

The disinclination of Governments to call into existence a new Department is, as I explained just

now, part of their nature, but it is also a part of their nature to yield to the force of public opinion; and I think therefore that our Government should be forced to create an Imperial Conservation and Development Board if it is the only way to secure the needed organisation.

It must be recognised that in our Dominions there are many men who have had long years of practical experience in dealing successfully with Land Settlement schemes. In the United Kingdom, on the other hand, there is hardly anyone who has studied the problem or knows anything about it in practice. Therefore, common sense dictates that we should utilise the assistance of those who are highly skilled; and I can conceive of no better way of utilising such men than by inducing them to work under an Imperial Development and Conservation Department.

In close conjunction with the Imperial Development and Conservation Department should be a Country Life Institute—organised very much on the lines recommended in the report of the Country Life Commission which was appointed by Mr. Roosevelt. We are an urban-minded people greatly in need of education and information in regard to land and agriculture; the Country Life Institute would provide all this—it would become a clearing-house for agrarian knowledge.

* * * * *

We believe that our Empire stands for all that is most glorious in human achievement and civilisation: religious freedom, liberty of thought, a sound philosophy, the right of national self-expression, freedom from an unwise form of militarism and

bureaucracy, from the oppression of the individual tyrant, and of the collective tyrant—the giant combine.

For most of these objects we are now fighting. When peace comes shall we not organise to maintain our ideals? Even if we come out of this War gloriously victorious, this in itself will not be sufficient to guarantee the maintenance and development of our ideals. We shall have to organise our Empire.

First of all, we shall have so to organise our people at home that the standard of comfort and intelligence shall be as high as it is in our sister nations, for, as George Meredith said: "We must have an Imperial people at home."

And just as it is necessary to organise the individuals for the good of the community, so it will be necessary to organise our sister nations for the good of the Empire, and so at the same time secure their own full national self-expression.

Sacrifices will have to be made, for sacrifice is necessary in the Nation's life as it is in the life of the individual. But the ideal for which we shall make those sacrifices is the Empire, spiritual and tangible—self-supporting and self-contained— built up of free men and free nations, and inviolate as long as Right shall be our Might.

APPENDIX

I

SCHULZE-DELITZSCH BANKS

The Schulze-Delitzsch credit bank is an association created to provide credit facilities for its members only. The necessary funds are raised by two means, one material and the other immaterial, share capital and unlimited liability. Each member must subscribe one share, and, where as is usually the case liability is unlimited, one share only. The society has thus a variable, and provided it is not decaying, an increasing capital.

The share is fixed as high as possible, i.e. as high as it can be without shutting out small industrialists, who have credit needs to satisfy. The actual sum varies from society to society, but the minimum is about £6. The object of the large share is twofold: the provision of a working capital and the encouragement of self-help and thrift. The latter object was especially prominent in the eyes of the founder.

The share can be paid up at once or in small instalments, all profits being credited to a share until it is fully paid. It is to the interest of a member to pay up his share as soon as possible, because he receives dividend upon the amount paid up only.

The profits of the society are distributed in two parts: one part to the reserve fund and the remainder to the shareholders, according to the size of their shares. The reserve fund, which is obligatory by law, usually amounts to about 20 per cent of the share capital. The entrance fees of members, which are of

small amounts, are added to the reserve fund. It is customary to devote all the profits of the first year or two to the reserve fund and afterwards 15 to 20 per cent. The reserve fund can only be used to cover losses; and any shrinkage must be immediately replaced.

Shares and reserve fund, together with unlimited liability, where this occurs, constitute the secure basis on which further supplies of capital are obtainable. These are (*a*) deposits, (*b*) re-discounts by an outside bank.

The amount of credit granted per member in 1905 was just over 5000 marks. This average has steadily increased in the course of the previous ten years from 3000 marks in 1895. The figure, however, is liable to mislead. It means that the credit transaction standing to each member's account amounted to 5000 marks, not that he actually took this sum out of the bank, still less that the average loan was of this size. If a loan of 1000 marks is renewed four times in the year, it stands in the member's account as a credit of 4000 marks. If a current account with a credit of 20,000 marks is closed and reopened every six months it stands as a credit of 40,000 marks. As a matter of fact the actual loan in the form of a simple advance averaged under 1000 marks (£50).

RAIFFEISEN BANKS

The Raiffeisen bank is the Schulze-Delitzsch bank applied to the country, with the variations required and justified by the difference of environment.

The model rules of the Raiffeisen societies state that: "the object of the society is to improve the situation of its members both materially and morally, to take the necessary steps for the same, to obtain through the common guarantee the necessary capital for granting loans to members for the development of their business and their household, and to bring idle capital into

productive use, for which purpose a savings bank will be attached to the society."

One word in the above, viz. "morally," intimates at the outset a distinctive trait. Raiffeisen always kept the moral aspect very prominently before him. He was himself an earnest Christian, and he insisted that all the members of his institution should profess the Christian virtues. In his propaganda he used to the full the one intelligent power in rural districts, the parish priest or pastor. With their help he developed a new parochial life around the village bank. With their help he touched in the present the chord of neighbourly affection and stirred him to give it practical effect.

The subscribed capital of the bank is practically nil; there is nothing but the universal unlimited liability of the associating members. Schulze-Delitzsch, dealing with industrialists subject to unseen risks, who operated in trade matters out of sight and control of the society, obliged his associates to subscribe a considerable share capital, not only as a proof of thrift, but as a material guarantee for their individual and corporate debts. Raiffeisen, dealing with agriculturists and villagers, demanded no such security, since each member possessed in his little farm, his cattle or implements, material guarantee far beyond those of any subscribed share. In addition he avoided the danger to which a share bank is always exposed, namely, that the concern may be run for the benefit of a few non-borrowing shareholders, rather than for that of the general credit-needing members.

All profits remain the collective property of the society, to be used for the society's good. They are divided into two classes of reserve fund: (1) reserve fund proper; (2) foundation fund (Stiftungsfond). The former is regulated in the same way as in town banks. The second corresponds to the shareholders' dividend. It is undesirable to have nothing beyond an ordinary

reserve fund, because money thus placed can only be withdrawn to cover losses: while if placed on the foundation fund it can be used for positive improvements, such as the extension of premises or the establishment of a burial fund. In actual figures, the reserve funds are not so strong as in the town bank, owing in part to the lower loan charges.

The loan capital, as in the town banks, is made up of small savings and deposits. It is drawn, either from within the area covered by the bank, in which case it comes both from members and non-members, the former being where possible rewarded at slightly higher rates in order to encourage membership: or from without the area, in which case it of necessity comes from non-members. Savings are received in sums from one mark upwards: the smaller amounts being collected by penny-stamp books, similar to those used in the Post Office Savings Banks of England. The willingness with which the peasants bring their savings to the bank is a triumphant proof of Raiffeisen's contention that the small agriculturists, by a combination of unlimited liability and close supervision, can become absolutely credit-worthy. No savings since the foundation of the first village bank have ever been lost through bankruptcy.

In addition the bank obtains credit from a central bank, with which it has a current account.

The funds thus raised are utilised for three kinds of credit: (1) Simple loans; (2) current accounts; (3) property transfers (Zessionen).

Current accounts are rare except in villages where there is a little industry. With regard to the simple loan, the security, as in town banks, is personal pledge, land mortgage, or (very rarely) deposit of collateral. The personal pledge, as with Schulze-Delitzsch, is the most frequent. But Raiffeisen interpreted it more strictly than Schulze-Delitzsch. Not only must the credit-seeker produce an outside testimony to his

character: he must also convince his society that he really merits this testimony. The member of the Schulze-Delitzsch bank is accepted on the strength of his general business reputation, added to his security, personal or material. The member of the Raiffeisen bank, though he have the best of pledges, is rejected unless he is known in his private life to be virtuous and industrious. The man of doubtful sobriety has no chance of obtaining anything from a country bank. The pledge is not itself the fundamental point, but a subsidiary proof of the fundamental point, which is the personal stability of the borrower. It is also an additional safeguard in the interests of depositors against an occasional error of judgment on the part of the society, or against the eventuality of the borrower dying before repayment of the loan, in which case the society requires a definite individual who will discharge in its interest the dead man's outstanding liabilities.

Furthermore, the society requires to know not only the character of the borrower, but also the specific object for which his loan is destined. It must be satisfied not only that the borrower wishes to employ the loan in his business, but also that the operation proposed is likely to turn out successful.

Property transfers (Zessionen) are not strictly credit business. They are in the nature of investments for superfluous money, just as a town bank might invest in railway shares, with the difference that the investment is local and designed to meet indirectly the credit wants of members.

What is the nature of the machinery by which this work is conducted? A Raiffeisen bank is never what a Schulze-Delitzsch bank sometimes is—a handsome building with barred windows, within which are a number of clerks discharging a constant round of business, while the directors interview special clients in a room apart. It is a small single room, probably at the back of a farm building, opened twice a week and

presided over by a single occupant—the accountant (*Rechner*). Business is apt to proceed desultorily; a small child brings in a few savings; an hour afterwards a palsied old man, signing by a cross, draws out a couple of pounds, and so on to the end of the day. But this is the unimportant part of the business. The really important part is the weekly meeting of the directors, half a dozen in number, who meet to discuss the various credit claims which have arisen. They are unpaid, as by the nature of their work they can afford to be. The accountant, their executive clerk who keeps the books, "the soul of the society," as Raiffeisen called him, is the only salaried official. The committee of supervision and the general assembly function as in the town banks; except that their control is more decided, probably because their knowledge is more on a level with that of the directorate, which is itself unspecialised.

The average credit advanced per member is 500 marks. The average size of the definite loan is slightly below this. The average rate of interest is not exactly known; it appears to be between 4 and 5 per cent, i.e. nearly 1 per cent cheaper than in the town bank. The duration of loans varies between one and ten years in accordance with the requirements of agriculture. They are repayable in small instalments, covering principal and interest, although the member may repay in lump if he wishes. The loan can always be called in on four weeks' notice, but the right is never exercised, unless the borrower is allowing his property to deteriorate or is becoming insolvent through extravagance or has misapplied money lent for a particular purpose. The inculcation of punctuality in payment, as a moral duty, was the hardest of Raiffeisen's tasks, as it was his greatest triumph.

If it be asked finally what Raiffeisen banks have done which other banks have not, it may be replied that Raiffeisen created out of hopeless chaos the only kind of credit organisation possible for small agriculturists. —Fay, "Co-operation at Home and Abroad."

Industry necessarily brings business men together to some extent. Agriculture in itself holds the farmer apart, and preserves him in lonely ignorance to be the victim of the perambulating moneylender. To-day more than 50 per cent of the independent agriculturists of Germany are members of rural banks; and another 10 per cent, chiefly the larger farmers, are members of town banks. The non-co-operative agriculturist is becoming the exception. The Raiffeisen banks are thickest in the south-west of Germany, the home of the small peasant proprietors. Indeed the change wrought in many of these villages is nothing short of a revolution.

METAYAGE

Metayage, or in French legal phraseology *le colonage partiaire*, is a system of letting agricultural land for which the English language possesses no equivalent term. It involves the payment of rent in kind, but that alone does not constitute metayage. Produce-rents may take two chief forms: the payment of a fixed quantity, or the payment of a proportional quantity, and the latter is the distinguishing characteristic of metayage, the yield of the farm being divided in definite proportions between owner and tenant, so that the quantity accruing to each party varies from year to year.

Originally and etymologically it was a division by halves, and usually it remains so; but practice now varies, so that the share of the owner is sometimes as low as one-third on inferior land, or even as high as two-thirds on exceptionally fertile farms. Besides produce-sharing, another essential feature of the system is that it involves the associated action of owner and tenant in the provision of the stock, for the former generally provides half the movable capital in addition to the land and permanent improvements, though here again the proportions vary according to local custom and the nature of the crop.

Usually the metayer is responsible for providing the labour, implements, and half the stock, while the responsibility of management is shared, the discretion of the landlord being exercised in the purchase and sale of cattle and in the general direction of the farm. It thus tends to create a unity of interests between the parties, and is incompatible with absenteeism, while it affords opportunities for cultivation to people who are too poor to provide such a capital as the British farmer requires.

It is favourable to stability of tenure, and there are some cases in which farms have been continued for over three centuries in the same family of metayers. The local customs relating to the respective liabilities of the parties, cultivation, cropping, and the like, are authoritatively printed and sold in each district of France, and must be followed, unless they are explicitly set aside in the lease.—Stanley H. Turner, M.A., in "The Standard Cyclopedia of Modern Agriculture."

II

A NEW LAND POLICY [1]

PLEA FOR A REVOLUTION

LORD SELBORNE, President of the Board of Agriculture, speaking at the first of a series of lectures by Mr. Christopher Turnor, at the London School of Economics, on "The Land and the Empire," said that after the war the whole attitude of Parliament towards agriculture would have to be changed. The land question must be considered solely from the point of view of the security of the nation and national defence.

In the course of his speech Lord Selborne said that when the Anti-Corn Law League was a great political institution the Tories, headed by Mr. Disraeli, prophesied that Free Trade would be the ruin of agriculture. Mr. Cobden and Mr. Bright always denied that statement. For more than a generation they were absolutely right; but it was no exaggeration to say that in 1880 a catastrophe fell upon British agriculture. From 1880 to 1900 was a time of dire distress for all connected with the cultivation of the soil. Our political economists had not studied that period carefully enough. Thousands of farmers were absolutely ruined during it. The services of the landowner during that period had not been anything like properly acknowledged, because, had it not been for the landowner, the agricultural depression would have been greater still and many more acres would have fallen out of cultivation. The landlord

[1] *Times* Report, March 11, 1916.

farmed the land himself and farmed it unsuccessfully, but he kept the land in cultivation and the labourers employed. The result to him was the loss of half the capital the family had previously possessed. Another result was that brains and money were no longer attracted to farming. A change also took place in the ownership of land. Land again became a luxury for the rich and that was a great misfortune for the country.

These national calamities, land that ought to be cultivated lying uncultivated and the over-production of game, were not causes but effects. They were the result of the fact that land was owned by men who did not care what it produced, who had bought it for amusement, just as in the old days it was bought for political power.

THE FUTURE

We had all learnt much from the war. We had learnt the immense strength which was gained by a country if it could feed its own people. We had learnt the great value of a rural population. We had learnt the anxieties that were caused to a nation at war which had to import a large proportion of essential products from overseas during the war. Please God, this country should never have to undergo that experience again. But to secure that end we must so frame all our agricultural laws as to obtain the greatest possible national security.

I think (Lord Selborne went on) *there ought to be nothing less than a revolution*. We want to see the greatest possible number living on the land. We want to see the agricultural labourer assured of a good wage, a good house, and a good garden. More than that, we want to see him assured of the prospect of becoming a cultivator of the land himself and eventually an owner. We want, in fact, an agricultural ladder which will enable a man to rise on the land just as he can rise in any other walk of life. Then we want the farmer to be other than a man who chooses farming because he likes its

outdoor life and the sport that is in it. We want all the brains we can get into agriculture as well as capital. We want men to go into farming not because it is a pleasant, healthy life, but because they can make money out of it. Lastly, we want landowning to be regarded, not as a luxury, but as a business requiring as much study and energy as any other profession.

In conclusion, Lord Selborne appealed to all political parties, whatever their views on the land question previous to the war might have been, to study the question afresh in the light of the experience obtained from the war, so that when the war was over, while it was hopeless to expect that we should all be agreed what the attitude of the State towards agriculture must be as to particular measures, we should at least be all agreed that there must be a complete recasting of agricultural life.

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